

Financial Statements
for the seventeen months ended 31
August 2023

ATLANTIC TECHNOLOGICAL UNIVERSITY
Financial Statements Contents

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ATLANTIC TECHNOLOGICAL UNIVERSITY
Technological University Information

Charity Registered Number	20206429
Charity Tax Exemption Number	22960
Registered Office	Atlantic Technological University Port Road Letterkenny Donegal
Independent Auditors	Office of the Comptroller and Auditor General 3A Mayor Street Upper Dublin 1
Bankers	Allied Irish Bank 61 Upper Main Street Letterkenny Co Donegal Allied Irish Bank 26 Stephen Street Sligo Bank of Ireland 22 Mainguard Street Galway
Solicitors	O'Flynn's Exhams LLP 58 South Mall Cork

ATLANTIC TECHNOLOGICAL UNIVERSITY

Corporate Governance Statement

At midnight on the 31st March 2022, Galway-Mayo Institute of Technology, Institute of Technology, Sligo, and Letterkenny Institute of Technology were dissolved and the Atlantic Technological University (the University) was established under the terms of the Technological Universities Act 2018, through SI 56 of 2022. Section 22 of the Act empowers the C&AG to prescribe dates for the first financial period after establishment of a technological university. The first financial period of the University covers the 17-month period from 1 April 2022 to 31 August 2023, with subsequent periods covering 12 months and ending on 31 August each year. As the Governing Body Chairperson and President of the University, we make the following statements based on the work of the Governing Body and Management of the University.

Governance Statement and Governing Body's Report

Governing Body

The University's Governing Body was established under the Technological University Act 2018, as amended. The University's Governing Body is accountable to the Minister for Further and Higher Education, Research, Innovation and Science and is responsible for ensuring good governance. The University's Governing Body is collectively responsible for leading and directing the University's activities and fulfils key functions, including reviewing and guiding strategic direction and major plans of action, risk management policies and procedures, annual budgets and business plans, setting performance objectives, monitoring implementation and University performance, and overseeing major capital expenditure and investment decisions. The University's Governing Body acted on a fully informed and ethical basis, in good faith, with due diligence and care, and in the best interest of the University, having due regard to its legal responsibilities and the objectives set by Government. The University's Governing Body seek to comply with best practice public principles in its own activities and its use of committees.

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Corporate Governance Statement

Strategic Plan, Annual Programmes and Budget

The University's Governing Body had formally undertaken an evaluation of actual performance by reference to the Connacht-Ulster Alliance application for designation as a Technological University which sets out the initial strategic pillars for the University and has subsequently approved an Annual Programme and Budget for the University. The University's Strategic Plan was approved by the Governing Body on 19th February 2024.

Governing Body Operation, Reserved Functions and Decisions Delegated to Management

The University's Governing Body are collectively responsible for leading and directing the University's activities in compliance with the Interim Code of Governance. All functions and decisions that are not specifically listed within the Code of Governance (Appendix B, Reserved Functions, Statutory Functions and Regulatory Requirements), are functions and decisions of management.

Compliance with Public Spending Code

The University adhered to the relevant aspects of the Public Spending Code and the University's Governing Body ensured robust and effective systems and procedures were in place to ensure compliance with the relevant principles, requirements, and guidelines of the Public Spending Code. ATU adhered to the Guidelines for the Appraisal and Management of Capital Proposals where appropriate. The Capital Works Management policy was approved by the Governing Body on 15th May 2023.

ATU Governing Body Meetings

During the period from 1st April 2022 to 31st August 2023 the University's Governing Body met on 17 separate occasions on the following dates:

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Corporate Governance Statement

1st April 2022, 13th April 2022, 9th May 2022, 13th June 2022, 4th July 2022, 29th August 2022, 26th September 2022, 24th October 2022, 21st November 2022, 12th December 2022, 19th December 2022, 20th February 2023, 27th March 2023, 8th May 2023, 15th May 2023, 19th June 2023, 24th July 2023.

Figure 1.1

Governing Body Meetings Attended from 1st April 2022 to 31st August 2023						
	Role	Date Appointed	Governing Body	Total Fees & Expenses €	Fees to 31.08.23 €	Expenses to 31.08.23 €
Number of meetings			17			
Maura McNally	Chairperson	1 Apr 2022	17/17	€4,238		€4,238
Dr Orla Flynn	President	1 Apr 2022	17/17	€1,219		€1,219
Anne McHugh	External Member	1 Apr 2022	14/17			
Felim McNeela	External Member	1 Apr 2022	16/17			
Oonagh Monahan	External Member	1 Apr 2022	17/17	€969		€969
Ursula Cox	Staff Member	13 Jun 2022	14/14			
Michael Geoghegan	Staff Member	13 Jun 2022	12/14			
Gareth Roe	Staff Member	13 Jun 2022	14/14			
Brian McCann	Staff Member	13 Jun 2022	13/14			
Martin Robinson	Staff Member	13 Jun 2022	14/14			
Mary McGinley	External Member	4 Jul 2022	10/12			
David Minton	External Member	4 Jul 2022	9/12			
Dara Foynes	External Member	4 Jul 2022	9/12			
Dr Mary Kelly	External Member	29 Aug 2022	9/11			
Séamus Hughes	External Member	29 Aug 2022	7/11			
Michael Gilvarry	External Member	29 Aug 2022	9/11			
Patricia King	External Member	29 Aug 2022	9/11			
Prof Rachel Ashworth	External Member	26 Sep 2022	4/10			
Edward Grant*	Student Member	26 Sep 2022	7/10			
Dáire Martin*	Student Member	26 Sep 2022	10/10			
Colin Kearney**	Student Member	26 Sep 2022	8/9			
	Total Fees & Expenses			€6,246		€6,246

*Student union representatives term ended on 30 June 2023

**Student union representatives term ended on 31 May 2023

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Figure 1.2

Payments made to Members of the Governing Bodies of the Legacy Institutes of Technology for attendance at interview panels prior to 31st March 2022

Payments	Governing Body	Total Fees & Expenses	Fees to 31.03.22	Expenses to 31.03.22
Bernie Mulhern	LYIT	€600	€600	
Seamus Kilgannon	LYIT	€1,650	€1,650	
Geoffrey Browne	IT Sligo	€4,615	€4,500	€115
Niall O'Donnellan	IT Sligo	€289		€289
Mary Bohan	IT Sligo	€1,800	€1,800	
Paul Murphy	GMIT	€1,458	€1,425	€33
Maria Ruddy	GMIT	€444	€428	€16
Michael Maher	GMIT	€2,626	€2,137	€489

Risk Management

The University's Governing Body approved the risk management framework and monitored its effectiveness, approval, and exercised oversight of ATU's Risk Management Policy including structured and periodic reviews and updates to the University Corporate Risk Register by the Executive Management Team. This review included an assessment of the principal risks, risk rating and associated mitigations for each of the risks set out in the University Corporate Risk Register.

Audit and Risk Committee

The Terms of Reference for the Audit and Risk Committee were set by the Governing Body of the University and included provision regarding:

- Membership
- Reporting Requirements
- Authority to investigate
- Meetings – timing, conduct and frequency
- Information requirements
- Value for money

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- Governance and responsibilities regarding:
 - Risk Management
 - Internal Control
 - Internal Audit
 - External Audit
 - Review of its own effectiveness

The University's Governing Body was satisfied that the Audit and Risk Committee has discharged its role effectively and efficiently and had met the requirements with regard to frequency of meetings in this academic year. See figure 1.3 below for details of meetings held during the year.

Figure 1.3

Audit & Risk Committee Meetings attended from 1st April 2022 to 31st August 2023		
	Date Appointed to Committee	Meetings attended
Audit & Risk Committee		
Anne McHugh	13-Apr-22	8/8
Mary McGinley	13-Apr-22	8/8
Paraic Casey	13-Apr-22	6/8
David Leahy	13-Apr-22	5/8
Philip Maguire	13-Apr-22	7/8
Mary Bohan 13/04/22 – 13/04/23	13-Apr-22	1/6
Lee-Ann McGinley	24-Oct-22	3/5
John Geary	21-Nov-22	2/4

Audit and Risk Committee meetings were held on 24th May 2022, 21st June 2022, 6th September 2022, 22nd November 2022, 7th February 2023, 14th March 2023, 9th May 2023 and 4th July 2023.

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Other Committee Meetings

See figure 1.4 below for details of membership and meetings held during the year.

Figure 1.4

	Date Appointed to Committee	Meetings attended
External Nominations Committee		
Maura McNally	09-May-22	4/4
Oonagh Monahan	09-May-22	3/4
Ann McHugh 09/05/2022 – 11/12/2023	09-May-22	4/4
Felim McNeela - 04/09/23-31/03/24	09-May-22	4/4
Finance Sub-Committee		
Felim McNeela	24-Oct-22	5/5
Ursula Cox	24-Oct-22	4/5
Larissa Feeney	21-Nov-22	4/5
Dr Orla Flynn	24-Oct-22	5/5
Joe Gannon	21-Nov-22	5/5
Dr Mary Kelly	24-Oct-22	4/5
Paul Shelly	21-Nov-22	5/5
Dara Foynes 24/10/2022 – 20/02/2023	24-Oct-22	0/1
EDI Sub-Committee		
Maura McNally	09-May-22	3/3
Dr Orla Flynn	09-May-22	3/3
Prof Jacqueline McCormack	09-May-22	3/3
Prof Owen Barr	26-Sep-22	2/2
Edward Grant 24/10/22 - 30/06/23	24-Oct-22	1/2
Brian McCann 20/02/23 - 31/03/24	20-Feb-23	1/1
Tonye Benson-Olatunde	15-May-23	0/0
Strategic Development Subcommittee		
Oonagh Monahan	20-Feb-23	0/0
Dr Orla Flynn	20-Feb-23	0/0
Maura McNally	20-Feb-23	0/0
Henry McGarvey	20-Feb-23	0/0
Dr Martin Robinson	20-Feb-23	0/0
Colin Kearney 19/2/2023-30/06/2023	20-Feb-23	0/0
Dara Foynes	20-Feb-23	0/0
David Minton	20-Feb-23	0/0
Seamus Hughes 19/2/2023 – 19/2/2024	20-Feb-23	0/0

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External Nominations Committee meetings were held on 3rd June 2022, 16th June 2022, 19th July 2022 and 18th August 2022.

Finance sub-committee meetings were held on 18th January 2023, 24th February 2023, 16th March 2023, 7th June 2023 and 24th July 2023.

Equality, Diversity & Inclusion (EDI) sub-committee meetings were held on 5th September 2022, 23rd January 2023 and 23rd April 2023.

The first meeting of the Strategic Development Subcommittee was held on the 31st January 2024.

Performance Evaluation of the Governing Body and its Committees

The University's Governing Body was committed to performing annual reviews of its effectiveness. An external review was not carried out during this period. A self-assessment by the Governing Body took place in May 2023 and was considered at Governing Body meeting in June 2023. The last Governing Body self-assessment review took place in May 2024.

General Governance and Accountability Issues

There were no governance and accountability issues that the University wished to bring to the attention of the Minister for Further and Higher Education, Research, Innovation and Skills and the HEA.

Asset Disposals

There were no disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties above the threshold of €150,000 which had not been subject to auction or competitive tendering process during the period from 1st April 2022 to 31st August 2023, except for the granting of a lease for the Creative Enterprise West (CREW) project in November 2022.

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Commercially Significant Developments affecting the University

In the summer of 2020, the Institute of Technology Sligo commenced talks with St. Angela's College Sligo on the incorporation of St. Angela's into the Institute of Technology, Sligo. These discussions ultimately ended with the signing of an incorporation agreement between St. Angela's and the University on 31st May 2023. This was followed by an order from the Minister for FHERIS dated 5th July 2023 (SI no. 356 of 2023) and St. Angela's was incorporated into the University on 1st November 2023.

The Institute of Technology Sligo had a shareholding of 10.39% in Nektr Technologies, which transferred to the University on 1st April 2022. This company was formed in March 2018 to commercialise intellectual property owned by the Institute. There are no loans nor other financially enforceable obligations arising for the University as a result of this shareholding. No dividend has been received to date from Nektr Technologies. Due to adverse trading conditions, the directors of Nektr Technologies appointed liquidators to the company on 20th December 2023. IT Sligo had not assigned any commercial value to the shareholding and consequently no loss in shareholding arises from the liquidation. However, a bad debt provision was made in the ATU accounts year ended 31st August 2023 of €371,000 which relates to patents and licence fees that had been paid and were due to be reimbursed by Nektr.

On 10 September 2019, the Institute of Technology Sligo formed a Designated Activity Company (DAC) with Sligo County Council and Leitrim County Council - Sligo Leitrim ITS Regional Development Projects Designated Activity Company. The DAC was formed with the purpose of progressing regional development projects and the Institute owned 34% of the shares which transferred to the University on its establishment on the 1st April 2022. The Institute of Technology Sligo made a financial commitment to the company to provide matched funding for the Digital Manufacturing Futures Centre in the amount of €271,000 and a loan of €240,000 to temporarily finance working capital. This commitment transferred to the University on its establishment. €111,000 of the matched funding was paid by the Institute of Technology, Sligo prior to the establishment of the University. Further payments of €160,000 were made by the University during the period from 1st April 2022 to 31st August 2023. The proposed loan has not yet been advanced.

There was no cost to the Exchequer for any financing arrangements attaching to any joint venture or other similar arrangements (including loans, dividends or other forms of funding provided by the University at the point of establishment of the joint venture / arrangement and thereafter) apart

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from those detailed for the DAC above (Sligo Leitrim ITS Regional Development Projects Designated Activity Company).

Summary of all Off-Balance Sheet Transactions of the University

There were no off-Balance Sheet financial transactions during the period from 1st April 2022 to 31st August 2023.

Code of Conduct for Members and Employees

The University can confirm that a code of conduct for both members and employees has been implemented and adhered to in the period. This includes clear conflict of interest and ethics in public office policies.

Compliance with Government Policy on Pay of the President and University Employees

The University complied with its obligations under the Government policy on the pay of the President and all other University employees.

Please also refer to financial statements, disclosure note 9.

Statement of Compliance

Government Pay Guidelines were complied with in respect of such appointees who served on the Governing Body and any subsidiaries of the University.

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Corporate Governance Statement

Confidential Disclosure Reporting - Protected Disclosures Act 2014 as amended by the Protected Disclosures (Amendment) Act 2022

Procedures for Confidential Disclosure Reporting were implemented in the University and are included in the Protected Disclosures Policy approved by the Governing Body on 13th April 2022. These procedures allow employees, in confidence, to raise concerns about possible irregularities in financial reporting or any other matters, as well as ensuring that meaningful follow-up of matters raised this way take place. The Confidential Disclosure Reporting in place at the University is in line with the Protected Disclosures Act 2014 as amended by the Protected Disclosures (Amendment) Act 2022.

The Governing Body also confirm that the annual report of the University, as required under section 22(1) of the Protected Disclosures Act 2014 has been published.

There were no protected disclosures received by the University during the period from 1st April 2022 and 31st August 2023.

Tax Laws

The University complied with its obligations under tax law.

Please also refer to financial statements, disclosure note 11.

Legal Disputes

A breakdown of the legal costs/settlements is included on page 14. ATU had no legal disputes involving other State Bodies.

University Subsidiaries

The University does not have any subsidiary.

ATLANTIC TECHNOLOGICAL UNIVERSITY Corporate Governance Statement

Gender balance, diversity and inclusion

The University recognises the importance of diversity and inclusion for all staff and students of the University. To that regard the University has implemented a number of initiatives aimed at further promoting an inclusive environment, including:

- Amalgamation of the legacy institutes' gender equality action plans to form the university plan, and achievement of Athena Swan Bronze in April 2022. The university self-assessment team was established in December 2023 to prepare the University's Athena Swan submission for further recognition in 2025.
- Amalgamation of the 3 legacy Consent Framework (Preventing and Responding to Sexual Misconduct and Harassment) action plans to form the university action plan.
- A comprehensive suite of training programmes related to a range of EDI -related topics.
- Establishment of the University LBGT+ & Allies Staff Network (AURA)
- Adoption of the Irish Higher Education National Anti-Racism Principles and establishment of the university Race Equality Network which is commencing work on the development of a Race Equality Action plan.
- EDI policy, Gender Identity & Expression policies have been drafted and circulated to staff and students for consultation.
- Universal design and Accessibility audit has been completed, and a draft action plan has been prepared.
- The University is a partner in the STEM Passport project to encourage girls from under-represented groups consider courses and careers in science.
- A series of events and guest speakers to promote inclusion is ongoing, including programmes of events to celebrate International Women's Day, International Men's Day, International Day for People with Disabilities, Irish Traveller Ethnicity day, Intersex Awareness etc.
- Curation of an equality, diversity and inclusion booklist available to borrow across the University plus library exhibitions for LGBT awareness month and Black History month.

As at 31st August 2023 the Governing Body had 10 (56%) female and 8 (44 %) male members. The University's Governing Body therefore met the Government target of a minimum of 40% representation of each gender in the membership of boards of state bodies.

Please refer to page 5 for the listing of Governing Body members and their attendance at meetings.

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Travel and Subsistence

	17 months 31/08/2023	19 months 31/03/2022
	€'000	€'000
Domestic Travel	1,628	410
International Travel	1,648	208
Total	3,276	618

Hospitality Expenditure

	17 months 31/08/2023	19 months 31/03/2022
	€'000	€'000
Staff Events	199	39
Student Events (excluding costs associated with conferring)	119	7
Other External	222	57
Total	540	103

Legal Costs/Settlements

	17 months 31/08/2023	19 months 31/03/2022
	€'000	€'000
Professional Fees	610	358
Settlements	-	18
Total	610	376

Consultancy fees

	17 months 31/08/2023	19 months 31/03/2022
	€'000	€'000
Professional Fees: Legal	610	358
Professional Fees: Tax and financial advisory	638	664
Professional Fees: Public relations/marketing	608	630
Professional Fees: Pensions and human resources	112	129
Professional Fees: Other	1,340	1,644
Total	3,308	3,425

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Corporate Governance Statement

Annual Report and Financial Statements

The University's Governing Body has reviewed and approved the Annual Report and Financial Statements and considers the Financial Statements to be a true and fair view of the University's financial performance and its financial position as at 31st August 2023.

Statement of Responsibility of the University

The Technological Universities Act 2018, as amended, requires the university to prepare Financial Statements in such form as may be approved by the Higher Education Authority and to submit them for audit to the Comptroller and Auditor General. In preparing these Financial Statements, the University was required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that were reasonable and prudent.
- Prepare Financial Statements on the going concern basis, unless it is inappropriate to presume that the university would continue in operation.
- Disclose and explain any material departures from applicable accounting standards.

The University is responsible for keeping adequate accounting records which disclosed with reasonable accuracy at any time the financial position of the University and which enabled it to ensure that the Consolidated Financial Statements complied with the Technological Universities Act 2018, as amended.

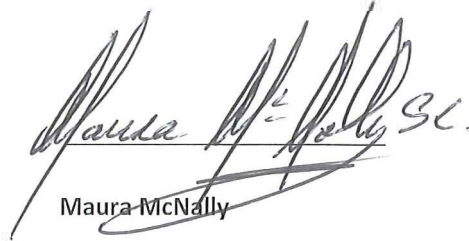
The University is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Compliance

The University adopted the Code of Practice for the Governance of State Bodies, 2016 as encapsulated in the Interim Code of Governance for Technological Universities and put procedures in place to ensure compliance with this Code. ATU was fully compliant with the Interim Code of Governance for seventeen months ended 31st August 2023.

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Corporate Governance Statement

Chairperson:


Maura McNally

Date: 9/12/24

President:


Dr. Orla Flynn

Date: 09/12/2024

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Statement on System of Internal Control

At midnight on the 31st March 2022, Galway-Mayo Institute of Technology, Institute of Technology, Sligo, and Letterkenny Institute of Technology were dissolved and the Atlantic Technological University (the University) was established under the terms of the Technological Universities Act 2018, through SI 56 of 2022. Section 22 of the Act empowers the C&AG to prescribe dates for the first financial period after establishment of a technological university. The first financial period of the University covers the 17-month period from 1 April 2022 to 31 August 2023, with subsequent periods covering 12 months and ending on 31 August each year. As the Governing Body Chairperson and President of the University, we make the following statements based on the work of the Governing Body and Management of the University.

Scope of Responsibility

As the Governing Body and Chairperson of the Atlantic Technological University, we acknowledge the responsibility of the University's Governing Body for ensuring that an effective system of internal control is maintained and operated in the University and for putting in place processes and procedures for the purpose of ensuring that the system is effective. This responsibility reflects the requirements of the **Code of Practice for the Governance of State Bodies (2016)** as encapsulated by the Interim Code of Governance for Technological Universities.

As the Governing Body Chairperson and President of the University, we make the following statements based on the work of the Governing Body and Management of the University.

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to an acceptable level rather than to eliminate it. The system could therefore only provide reasonable and not absolute assurance that assets were safeguarded, transactions were authorised and properly recorded, and that material errors or irregularities were either prevented or detected in a timely way.

ATLANTIC TECHNOLOGICAL UNIVERSITY Statement on System of Internal Control

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, had been in place in ATU for the period from 1st April 2022 to 31st August 2023 and up until the date of approval of the financial statements.

Annual Review of the Effectiveness of Internal Control

The Governing Body of the University conducted an annual review of the effectiveness of the system of internal control for the period from 1st April 2022 to 31st August 2023 on 11th December 2023.

Disclosure of Breaches in Internal Control, Weakness in Internal Control and Material Losses or Frauds

Weaknesses in internal control:

Weaknesses in internal control that have been identified during the period have been addressed, with control actions put in place or in progress at the period end. No material losses or misstatements were identified during the course of independent testing carried out by the internal auditors.

Internal control weaknesses are outlined in the table below.

Disclosure of non-compliance, breaches in Internal Control, weakness in internal control and/or material losses or frauds	Description of the action taken to correct non-compliance, breaches in Internal Control, weakness in internal control and/or material losses or frauds	Due date or Date Implemented
Non-compliant procurement during the period from 1 st April 2022 to 31 st August 2023 amounted to €1,085,846	<p>Implement improvement in systems for monitoring contract expiry dates.</p> <p>Implement improvement in systems for monitoring framework threshold limits.</p>	<p>Completed as part of Phase 1 contract management system. All goods and services contracts awarded from Q1 2024 on contract management system.</p> <p>Phase 2 of the Contract Management System Project - Spend Monitoring – is currently being implemented. Go Live scheduled for Q1 2025 (excluding B&E).</p>

ATLANTIC TECHNOLOGICAL UNIVERSITY
Statement on System of Internal Control

	<p>Ongoing monthly monitoring of supplier spend totals is in place.</p> <p>The University is also in the process of increasing resources within the procurement team to facilitate additional reviews and monitoring.</p> <p>Implementation of online sole supplier & procurement initiation form application and review.</p> <p>Development of ATU Procurement Portal (SharePoint site) which outlines policies & procedures and current agreements in place.</p>	<p>Completed. New report developed Q1 2024 to enable end users to monitor up to date daily spend.</p> <p>Recruitment completed and in place. Team size has doubled since April 2022.</p> <p>Completed.</p> <p>Completed.</p>
<p>The Internal Auditor completed a review of the University's Cyber Security Controls during the 2022-2023 year. The objective of the review was to assess the maturity of the University's current cyber posture and understand security risks in line with the educational industry. Results of the assessment indicate the cyber capability and maturity of the University is an overall score of 1.43 vs a higher education sector average of 1.27 and a public sector average of 1.51. Arising from this review there are opportunities to further enhance the cyber capability and strengthen the cyber management processes in the University in line with the changing technological landscape.</p>	<p>Cyber Governance - Establish a formal cyber security governance structure and enhance the IT team capacity with a dedicated cyber lead. Define formal and measurable security KPI's for IT Team.</p> <p>Incident Response - Consider implementing an incident management tool that will assist the IT security with logging incidents with appropriate classification schemes and maintaining the incident repository. Formulate formal incident response plans.</p> <p>Security monitoring - Consider implementing a network wide monitoring tool to enhance security monitoring capabilities. Define and integrate all log collectors with a customisable managed SIEM.</p> <p>Penetration testing and Vulnerability Scanning - Develop a consistent approach to periodically identify, communicate, remediate and track vulnerabilities.</p>	<p>Completed Q3 2024</p> <p>In progress - due for completion in 2025</p> <p>Completed Q2 2024</p> <p>Completed Q3 2024</p>

Frauds

There was one incident of fraud reported after the period end. This involved the loss of €2,000 through a phishing fraud within the payroll system. This was reported to An Garda Siochana.

ATLANTIC TECHNOLOGICAL UNIVERSITY

Statement on System of Internal Control

Review of Statement of Internal Control

We confirm that the Statement of System of Internal Control was reviewed by the ATU Audit and Risk Committee and the ATU Governing Body to ensure it accurately reflected the control system in operation during the reporting period.

Appropriate Control Environment

The University's Governing Body took steps to ensure an appropriate control environment is in place by:

- Clearly defining management responsibilities.
- Developing procedures and regulations which were reviewed regularly and were documented, implemented and up to date.
- Establishing formal procedures through various committee functions to monitor the activities and safeguard the assets of the organisation.
- Developing a strong culture of accountability across all levels of the organisation.
- Establishing procedures for reporting significant control failures and ensuring corrective action was taken.
- Adopting and adhering to the Code of Practice for the Governance of State Bodies as encapsulated by the Interim Code of Governance for the University.
- Ensuring the control environment included an active Audit and Risk Committee, internal audit function and regular reporting to the Governing Body on financial results.

Business Risks

ATU developed processes to identify and evaluate business risks. This was achieved in a number of ways including:

- Developing a strategic plan for the University to facilitate management and the Governing Body in identifying the key activities and key performance indicators necessary to plan for and manage its operations effectively.
- Adoption of a Risk Management Policy.
- Identifying key risks, risk owners and the controls to mitigate these risks.
- Developing annual and longer-term targets and reporting on results achieved.
- Implementation of an Internal Control Framework.
- A comprehensive budgeting system with an annual budget which was reviewed and agreed by the University's Governing Body.
- Regular reviews by the University's Governing Body and its committees of periodic and annual financial reports which indicated financial performance against forecasts.

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Statement on System of Internal Control

- Setting targets to measure financial and other performances.
- Clearly defined capital investment control guidelines.

The Institute of Technology Sligo had a shareholding of 10.39% in Nektr Technologies, which transferred to the University on 1st April 2022. This company was formed in March 2018 to commercialise intellectual property owned by the Institute. There are no loans nor other financially enforceable obligations arising for the University as a result of this shareholding. No dividend has been received to date from Nektr Technologies. Due to adverse trading conditions, the directors of Nektr Technologies appointed liquidators to the company on 20th December 2023. IT Sligo had not assigned any commercial value to the shareholding and consequently no loss in shareholding arises from the liquidation. However, a bad debt provision was made in the ATU accounts year ended 31st August 2023 of €371,000 which relates to patents and licence fees that had been paid and were due to be reimbursed by Nektr Technologies.

Information Systems

The University implemented a number of Management Information Systems to provide a means of comparing actual results to targets and forecasts. These systems included:

- Financial Management – Agresso
- Human Resources and Payroll Management – CoreHR
- Travel and Expenses – CoreHR
- Student Administration – Banner
- Timetabling – Syllabus Plus
- Library – Koha

Financial Implications of Major Business Risks

The University employs a range of actions to reduce the potential for fraudulent activity. The University's internal control policy framework includes written policies and procedures requiring transactions to be properly authorised and providing for sufficient segregations of duties.

Compliance with Procurement Rules and Guidelines

We confirm that the University has a Corporate Procurement Plan and procedures in place that were being implemented to ensure compliance with Public Procurement Guidelines and relevant guidance that may be issued by the Office of Government Procurement (OGP), the Education Procurement

ATLANTIC TECHNOLOGICAL UNIVERSITY Statement on System of Internal Control

Service (EPS) and the Department of Public Expenditure and Reform. There were no breaches of these guidelines identified during the period from 1st April 2022 to 31st August 2023, with the exception of non-compliant procurement of €1,085,846.

Review of the Effectiveness of the Internal Control System

We confirm that the University had procedures to monitor the effectiveness of its risk management and control procedures. These operated throughout the year and were concluded on the 11th December 2023. The Governing Body's monitoring and review of the effectiveness of the system of internal control was informed by the work of the University's Executive and Management who had responsibility for the development and maintenance of the internal control framework, the Audit and Risk Committee, the Internal Auditors and comments made by the Comptroller and Auditor General in his management letter.

The University has an outsourced internal audit function, which is in accordance with the Internal Audit Charter approved by the Governing Body and the Interim Code of Governance for Technological Universities.

Signed on behalf of the Governing Body

 9/12/24
Maura McNally Date

Chairperson

 09/12/2024

Dr. Orla Flynn

Date

President



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas Atlantic Technological University

Opinion on the financial statements

I have audited the financial statements of Atlantic Technological University for the period ended 31 August 2023 as required under the provisions of the Technological Universities Act 2018. The financial statements comprise the consolidated and university statement of comprehensive income, the consolidated and university statement of changes in reserves and capital account, 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 the University group at 31 August 2023 and of the income and expenditure of the University and the University group for the period then ended in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

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

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

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

The University has presented certain other information together with the financial statements. This comprises a corporate governance statements and a statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

Bad debt provision

Note 15 to the financial statements discloses that the University provided for a bad debt of €371,000, in relation to patents and license fees due from a company in which it had a minority shareholding and which has subsequently gone into liquidation.

Non-compliance with procurement rules

The statement on internal control discloses that the University incurred significant expenditure on goods and services the procurement for which did not comply with procurement guidelines. The statement also sets out the steps taken to improve procurement compliance.

Seamus McCarthy
Comptroller and Auditor General
16 December 2024

Appendix to the report

Responsibilities of Governing Body members

The members are responsible for

- the preparation of annual financial statements in the form prescribed under the Technological Universities Act 2018
- 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 Technological Universities Act 2018 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.

ATLANTIC TECHNOLOGICAL UNIVERSITY
Statement of Comprehensive Income
For the seventeen months ended 31 August 2023

	Note	17 months 31/08/2023 €'000	19 months 31/03/2022 €'000
Income			
State grants	3	167,655	152,286
Tuition fees and student contribution	4	94,492	109,597
Research grants and contracts	5	20,698	19,876
Student support funding	7	4,068	4,356
Other income	8	15,632	14,133
Amortisation of deferred capital grants	20	12,960	15,345
Interest income		595	8
Deferred pension funding	25	79,021	67,993
Total income		395,121	383,594
Expenditure			
Staff costs	9	218,384	209,910
Retirement benefit costs	25	79,021	67,993
Other operating costs	10	76,099	72,537
Depreciation	13-14	12,987	15,375
Total expenditure		386,491	365,815
Surplus before tax		8,630	17,779
Taxation		-	-
Surplus before other gains and losses		8,630	17,779
Reduction in pension liabilities arising from retirements	25	34,430	20,267
Experience gains/(losses) on plan liabilities	25	37,257	(6,350)
Changes in assumptions underlying the present value of retirement benefit obligations	25	252,483	7,798
Total actuarial gains/(losses) in the period/year		324,170	21,715
Adjustment to deferred retirement benefits funding	25	(324,170)	(21,715)
Total comprehensive income for the period	12	8,630	17,779

The Statement of Comprehensive Income includes all gains and losses recognised in the period.

Notes 1 to 29 form part of these Financial Statements.

Signed on behalf of the Governing Body:


 Ms. Maura McNally

Chairperson, Atlantic Technological University

Date: 9/12/24



Dr. Orla Flynn

President, Atlantic Technological University

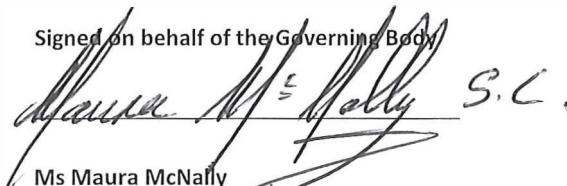
Date: 09/12/2024

ATLANTIC TECHNOLOGICAL UNIVERSITY
Statement of Changes in Reserves and Capital Account
For the seventeen months ended the 31 August 2023

	Note 20 Deferred Capital Grants €000s	Note 21 Capital Development Reserve €000s	Revenue Reserves €000s	Total €000s
Opening Balance at 1 September 2020	206,831	29,888	12,163	248,882
Surplus for the Year before Appropriations	-	-	17,779	17,779
Amortisation of Deferred Capital Grants	(15,345)	-	-	(15,345)
State Grant Allocated to Capital	5,222	-	-	5,222
State Capital Grant	14,499	-	-	14,499
Other Grants	2,876	-	-	2,876
Transfer to/ from Capital Development Reserve	3,402	21,686	(25,088)	-
Movement for the Period	10,654	21,686	(7,309)	25,031
Balance at 31 March 2022	217,485	51,574	4,854	273,913
Surplus for the period before Appropriations	-	-	8,630	8,630
Amortisation of Deferred Capital Grants	(12,960)	-	-	(12,960)
State Grant Allocated to Capital	3,812	-	-	3,812
State Capital grant	18,336	-	-	18,336
Other grants	1,402	-	-	1,402
Transfer to/ from Capital Development Reserve	8,694	(9,952)	1,258	-
Movement for the Period	19,284	(9,952)	9,888	19,220
Balance at 31 August 2023	236,769	41,622	14,742	293,133

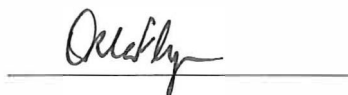
Notes 1 to 29 form part of these Financial Statements.

Signed on behalf of the Governing Body


 Ms Maura McNally

Chairperson, Atlantic Technological University

Date: 9/12/24



Dr. Orla Flynn

President, Atlantic Technological University

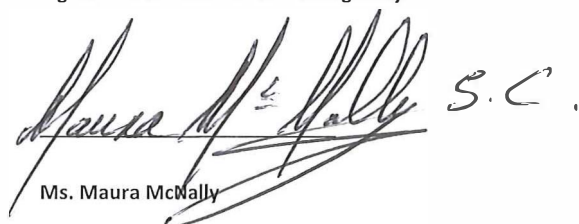
Date: 09/12/2024

ATLANTIC TECHNOLOGICAL UNIVERSITY
Statement of Financial Position
As at 31 August 2023

	Note	31/08/2023 €'000	31/03/2022 €'000
Fixed assets			
Property, Plant & Equipment	13-14	236,876	217,345
		236,876	217,345
Current assets			
Receivables	16	17,194	20,542
Cash and cash equivalents	17	97,956	115,111
		115,150	135,653
Less payables: amounts due within one year	18	(58,893)	(79,085)
Net current assets		56,257	56,568
Total assets less current liabilities		293,133	273,913
Retirement benefits			
Retirement benefit obligations	25	(569,129)	(803,187)
Deferred retirement benefit funding asset	25	569,129	803,187
Total net assets		293,133	273,913
Deferred state capital grants	20	236,769	217,485
Unrestricted reserves			
Income and expenditure reserve		14,742	4,854
Capital development reserve	21	41,622	51,574
Total		293,133	273,913

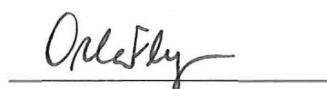
Notes 1 to 29 form part of these Financial Statements.

Signed on behalf of the Governing Body:

 S.C.

Ms. Maura McNally

Chairperson, Atlantic Technological University



Dr. Orla Flynn

President, Atlantic Technological University

Date: 9/12/24

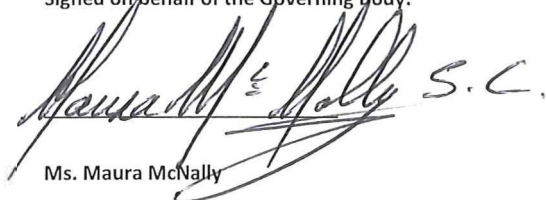
Date: 09/12/2024

ATLANTIC TECHNOLOGICAL UNIVERSITY
Statement of Cash Flows
Period ended 31 August 2023

	17 months 31/08/2023 €'000	19 months 31/03/2022 €'000
Cash flow from operating activities		
Excess income over expenditure	8,630	17,779
Depreciation of fixed assets	12,987	15,375
Amortisation of deferred capital grants	(12,960)	(15,345)
Decrease in inventories	-	4
Decrease/(Increase) in receivables	5,835	(8,585)
(Decrease)/Increase in payables	(20,403)	46,538
Interest income	(595)	(7)
Capital Grants Received	21,656	23,215
Net cash inflow from operating activities	15,150	78,974
Cash flows from investing activities		
Payments to acquire property, plant & equipment	(32,309)	(26,079)
Net cash flows from investing activities	(32,309)	(26,079)
Cash flows from financing activities		
Interest received	4	13
Net cash flows from financing activities	4	13
Net (Decrease)/Increase in cash equivalents in the period	(17,155)	52,908
Cash and cash equivalents at 1 April / 1 September	115,111	62,203
Cash and cash equivalents at 31 August/31 March	97,956	115,111

Notes 1 to 29 form part of these Financial Statements.

Signed on behalf of the Governing Body:


 Ms. Maura McNally

Chairperson, Atlantic Technological University

Date: 9/12/24


 Dr. Orla Flynn

President, Atlantic Technological University

Date: 09/12/2024

ATLANTIC TECHNOLOGICAL UNIVERSITY
Notes to the Financial Statements
For the seventeen months ended 31 August 2023

1. Significant accounting policies

The accounting policies which are considered material in relation to the financial statements are summarised below. They have all been applied consistently throughout the period and to the preceding period.

a. General information and statement of compliance

The primary objective of the University is to provide third level education and other associated activities.

b. Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with generally accepted accounting principles and comply with applicable Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and with the requirements of the Higher Education Authority.

The functional currency under FRS 102 for the Atlantic Technological University (ATU) 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 also presented in Euro. Foreign operations are included in accordance with the policies set out below.

For comparative purposes, these financial statements include the combined amounts for Institute of Technology Sligo and Letterkenny Institute of Technology for their final periods of accounts 19 months to 31 March, 2022 and the amounts for Galway Mayo Institute of Technology for its final two periods of accounts 12 months to 31 August 2021 and 7 months to 31 March, 2022. On that date all three institutes were dissolved and all assets, rights, liabilities, obligations and staff were transferred to ATU.

c. Basis of consolidation

The group financial statements consolidate the financial statements of the University and its subsidiary undertakings made up to 31 August 2023.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income, and expenses are eliminated on consolidation.

ATLANTIC TECHNOLOGICAL UNIVERSITY
Notes to the Financial Statements
For the seventeen months ended 31 August 2023

d. Going concern

The Governing Body is satisfied that the University has adequate resources to meet its obligations as they fall due for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

e. Property, plant & equipment

(i) Land and buildings

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all remaining tangible fixed assets and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	50 years
--------------------	----------

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

(ii) Equipment

Equipment costing less than €10,000 (€3,000:2021) per individual item is written off to the income and expenditure account in the year of acquisition. Where individual items of equipment purchased are below the capitalisation limit (€10,000) (€3,000:2021) and the total purchase invoice is in excess of the limit, these items are individually capitalised in the normal way. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

Fixtures & fittings including prefabs	10 years
Computer equipment	3 years
Plant & machinery	10 years
Equipment	5 years
Motor vehicles	5 years

All equipment funded from research grants and contracts is depreciated over the life of the assets in line with the policy for all other fixed assets.

ATLANTIC TECHNOLOGICAL UNIVERSITY
Notes to the Financial Statements
For the seventeen months ended 31 August 2023

f. Licencing of Intellectual Property

The University may enter into arrangements with third parties in relation to the licencing of Intellectual Property created and owned by the University. Such agreements may include direct payment to the University and/ or shareholding in the entity licencing the Intellectual Property. Where such shareholding are in unquoted entities, the value is not included in the Statement of Financial Position due to difficulties in estimating the related fair value. Details of these arrangements are disclosed in the related party note.

g. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in income and expenditure as described below.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

ATLANTIC TECHNOLOGICAL UNIVERSITY
Notes to the Financial Statements
For the seventeen months ended 31 August 2023

h. Taxation

Corporation tax

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 (VAT), 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. Certain research and commercial activities within the University falls into the VAT net, any input or output tax relating to these activities is returned to the Revenue by the University.

i. Recognition of income

(i) State Grants

Recurrent state grants from the HEA and other bodies are recognised in the period in which they are receivable. Non recurrent grants from the HEA or other state bodies received in respect of the acquisition or construction of fixed assets are treated as deferred State Capital Grants and amortised in line with the depreciation over the life of the assets.

(ii) Fee Income

Fee income is accounted for on an accruals basis.

(iii) Research grants and contracts

Income from research grants and contracts is matched to expenditure and included in the income of the year in which the related expenditure has been incurred unless the grant has performance related conditions or restrictions associated with it. The most common classes of such transactions are:

- *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.

- *Donations with restrictions*

Donations with restrictions are recorded within 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.

- *Research grants from non-government sources*

Income from grants from non-government sources is recognised in the Statement of Income and Expenditure when performance related conditions are met. If a restriction is in use but

ATLANTIC TECHNOLOGICAL UNIVERSITY
Notes to the Financial Statements
For the seventeen months ended 31 August 2023

no performance related condition exists, the income is recorded in the Statement of Comprehensive Income when the University becomes entitled to the 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 to the income and subsequently retained within a restricted reserve until such time that the expenditure is incurred in line with the restriction.

(iv) Minor Capital Works

The Minister for Further and Higher Education, Innovation and Science introduced a scheme to devolve responsibility to the University for Summer and other Capital Works. In all cases Minor Capital Works funding is matched to expenditure and recognised in the period the expenditure is incurred.

(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.

j. Employee benefits

(i) Retirement Benefits

Pension entitlements of staff recruited prior to 1 January 2013 are conferred under a defined benefit pension scheme established under the Education Sector Superannuation Scheme 2015 (ESSS 2015). The scheme is operated on a "pay-as-you-go" basis, with superannuation deductions made from employees being retained by the University as an agreed part of its funding.

The University also operates the Single Public Service Pension Scheme ("Single Scheme"), which is the defined benefit scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. Single Scheme members' contributions are paid over by the University to the Department of Public Expenditure and Reform (DPER).

Pension costs charged to expenditure in the period reflect the benefits earned by current employees during the period and are shown net of staff pension contributions which, in respect of (i) the ESSS

ATLANTIC TECHNOLOGICAL UNIVERSITY
Notes to the Financial Statements
For the seventeen months ended 31 August 2023

2015, are retained by the University's and (ii) the Single Scheme, are remitted to DPER. An amount corresponding to the pension cost is recognised as income.

Pension liabilities represent the present value of future pension payments earned to date. The retirement benefit funding asset reflects the expectation that the DFHERIS will continue to pay pensions and retirement lump sums as they fall due.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the retirement benefit funding asset.

The financial statements reflect, at fair value, the assets and liabilities arising from the University's pension obligations in respect of its current staff only and any related funding. The costs of providing pension benefits are recognised in the accounting periods in which they are earned by employees. Pension liabilities in respect of former employees who are in receipt of pensions are excluded because payments are charged to the appropriation account of the Department of Further and Higher Education, Research Innovation and Science (DFHERIS). The reduction in liability arising from members who retire during the period is reflected as an experience gain. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

(ii) Short-Term Benefits

Short-term benefits such as holiday pay are recognised as an expense in the period, and benefits that are accrued at period end are included in the Payables figure in the Statement of Financial Position. There is no accrual for holiday pay for academic staff at period end due to the nature of their contracts.

k. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are reported at the rates of exchange prevailing at that date.

l. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

ATLANTIC TECHNOLOGICAL UNIVERSITY
Notes to the Financial Statements
For the seventeen months ended 31 August 2023

m. Deferred State Capital Grants

Deferred state capital grants represent the unamortised value of accumulated funds used for the acquisition or construction of fixed assets. Capital Grants from the HEA or other State bodies received in respect of acquisition or construction of fixed assets are treated as deferred State capital grants and amortised in line with depreciation charged over the life of the assets.

n. Reserves

Capital Development Reserve

The capital development reserve represents funds set aside by the University for specified capital development purposes. Such funds arose from student fees, non-state capital donations, banking facility fees, other commercial income and transfers from revenue reserves, together with bank interest earned on these monies. Such funds shall be retained in the capital development reserve account provided the defined projects to which they are committed are in line with the University's capital development plan, have been approved by the Governing Body and are time phased and with estimates of costs.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the University's accounting policies, which are described in note 1, the Governing Body are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 judgements in applying the University's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Governing Body has made in the process of applying the University's

ATLANTIC TECHNOLOGICAL UNIVERSITY
Notes to the Financial Statements
For the seventeen months ended 31 August 2023

accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

a. Going Concern

There is no material uncertainty regarding the University's ability to meet its liabilities as they fall due and to continue as a going concern. On this basis, the University considers it appropriate to prepare financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the University was unable to continue as a going concern.

b. Establishing lives for depreciation purposes of property, plant & equipment

Long lived assets, consisting primarily of property, plant and equipment comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimates of residual values. The University regularly reviews these expected useful lives and changes them as necessary to reflect generally accepted norms for the category. Change in asset lives can have a significant impact on depreciation charge for the period. Detail of the useful lives are included in the accounting policies.

c. Provision for doubtful debts

The University makes an estimate of the recoverable value of trade debtors and other debtors. The University uses estimates based on historical experience in determining the level of debts, which may not be collected. These estimates include such factors as the current rating of the debtor, the ageing profile of debtors and historical experience. The level of provision is reviewed on an on-going basis.

d. Holiday Pay Accrual

The holiday pay accrual is calculated by reference to the number of days holidays outstanding at the period end. Academic staff do not require an accrual at period end due to the nature of their contract.

e. Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels

ATLANTIC TECHNOLOGICAL UNIVERSITY
Notes to the Financial Statements
For the seventeen months ended 31 August 2023

and mortality rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) The discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) Future compensation levels, future labour market conditions

3. State Grants

	2023 Allocated for Recurrent Expenditure €'000	2023 Allocated for Capital Expenditure €'000	2023 17 months Total €'000	2022 19 months Total €'000
Recurrent Expenditure - HEA	125,903	3,812	129,715	122,839
Apprenticeships	15,973	-	15,973	11,191
Nursing	2,269	-	2,269	2,367
Covid 19	1,999	-	1,999	7,302
TU Transformation Fund	10,319	-	10,319	5,234
HCI Pillar 2 & 3	5,644	-	5,644	1,626
Other State Grant	4,190	100	4,290	6,716
Capital Grant	1,358	18,336	19,694	13,468
Total 2023 (Note 6)	167,655	22,248	189,903	170,743
Total 2022	152,286	18,457	170,743	

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4. Tuition Fees and Student Contribution

	2023 -17 months			
	Student Numbers	State funded	Non-state funded	Total
	WTE	€'000	€'000	€'000
EU Undergraduate Students	10,399	38,688	19,066	57,754
EU Postgraduate Students	1,699	2,371	7,640	10,011
Non EU Students	423	-	4,481	4,481
Life Long Learning and Other Fees	3,877	7,996	14,250	22,246
Student No's / Fee Income (Note 6)	16,398	49,055	45,437	94,492

	2022 – 19 months			
	Student Numbers	State funded	Non-state funded	Total
	WTE	€'000	€'000	€'000
EU Students	12,152	47,721	28,725	76,446
Non EU Fees	409	-	3,868	3,868
Life Long Learning and Other Fees	4,527	10,895	18,388	29,283
Student No's / Fee Income (Note 6)	17,088	58,616	50,981	109,597

Student numbers are stated as whole-time equivalents based on enrolled credits based on an annual year.

State funded fees include HEA €33.1m (20/22 - €25.9m), SUSI €15.9m (20/22: €32.7m).

Included in the Higher Education Authority amount is student contribution fees of €10.6m (20/22: €0) paid under the budget 2023 cost of living measures, amounting to €1,000 per student eligible for free fees.

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Notes to the Financial Statements
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5. Research Grants and Contracts

	2023	2022
	17 months	19 months
	Total	Total
	€000	€000
Income		
State and semi-state	11,574	11,039
European Union	8,532	9,292
Industry	465	531
Other	1,365	1,332
Less allocated to capital	(1,238)	(2,318)
	<u>20,698</u>	<u>19,876</u>
Expenditure		
Pay costs	8,113	7,656
Non-pay costs	11,004	7,762
Payments to Project Partners	6,867	6,664
	<u>25,984</u>	<u>22,082</u>
Net Outcome	(5,286)	(2,206)

Expenditure exceeds income in part because research related funding received under the Research and Innovation top slice of €1.7m (2022: €0.7m) and under TU Transformation Funding of €2m (2022: €0.5m) is shown in Note 3 State Grants and is not included in Note 5 above.

6. Analysis of State Derived Income

Name of Grantor	Op deferral 01/04/2022 €'000	Grant received €'000	CI deferral 31/08/2023 €'000	I&E 2023 €'000
Note 3 - State grant				
HEA	17,416	164,591	(14,352)	167,655
Total State Income	<u>17,416</u>	<u>164,591</u>	<u>(14,352)</u>	<u>167,655</u>

Note 4 - Tuition fees and student contribution

HEA	213	26,663	303	27,179
SUSI	4,348	17,453	(173)	21,628
Other state	(13)	261	-	248
Total State Income	<u>4,548</u>	<u>44,377</u>	<u>130</u>	<u>49,055</u>

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Analysis of state derived income (continued)

Name of Grantor	Op deferral 01/04/2022 €'000	Grant received €'000	Cl deferral 31/08/2023 €'000	I&E 2023 €'000
Note 5 - Research grant and contracts				
Enterprise Ireland	2,036	6,498	(3,197)	5,337
Education & Training Board	59	(13)	(34)	12
Environmental Protection Agency	54	266	6	326
Dept of Public Expenditure	-	54	10	64
Irish Research Council	267	251	(150)	368
Bórd Iascaigh Mhara	(37)	304	221	488
Design and Craft Council Ireland	-	150	(150)	-
Marine Institute	80	760	7	847
Dept. of Agriculture & Food	(296)	644	(105)	243
National Parks & Wildlife	(42)	81	(7)	32
Dept. of Housing, Planning, Community & Local Govt.	-	-	1	1
Dept of Education & Skills	(22)	580	(14)	544
Maynooth University	4	-	-	4
National Economic & Social Council	3	-	-	3
Revenue Commissioners	-	-	38	38
NUIG	15	50	-	65
SOLAS	-	63	(2)	61
Údarás na Gaeltachta	(114)	143	106	135
Geological Survey Ireland	4	-	-	4
SEAI	199	615	4	818
University College Cork	15	50	-	65
Dept. of Foreign Affairs	-	5	-	5
Galway County Council	7	6	(10)	3
Other	208	185	(72)	321
Teagasc	7	24	1	32
HSE	56	-	613	669
Science Foundation Ireland	337	1,359	(727)	969
National Forum Learning	21	156	(57)	120
Total State Income	2,861	12,231	(3,518)	11,574

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6. Analysis of state derived income (continued)

Note 7 – Student support funding

	Op deferral 01/04/2022	Grant Received	Cl deferral 31/08/2023	I&E 2023
	€'000	€'000	€'000	€'000
Higher Education Authority	1,432	2,984	(348)	4,068
Total State Income	1,432	2,984	(348)	4,068

7. Student Support Funding

	2023 17 months Student Disabilities €'000	2023 17 months Student Assistance €'000	2023 17 months Total €'000	2022 19 months Total €'000
Balance at 1 April 2022	307	1,125	1,432	1,205
Receipts:				
Higher Education Authority	627	2,368	2,995	5,022
Less transfer to capital account	-	(11)	(11)	(439)
	934	3,482	4,416	5,788
Balance at 31 August 2023 to defer	(128)	(220)	(348)	(1,432)
Income	806	3,262	4,068	4,356
Amounts applied:				
Pay costs	676	185	861	1,050
Non-pay costs	404	2,673	3,077	3,523
Total expenditure	1,080	2,858	3,938	4,573
Charge to statement of income and expenditure	(274)	404	130	(217)

Funding is provided by the HEA under the National Development Plan and is part funded by the European Social Fund.

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8. Other Income

	2023	2022
	17 months	19 months
	€'000	€'000
Superannuation deductions retained	8,204	8,737
Rental of facilities	2,223	1,581
Canteen	1,809	714
Sundry income	3,396	3,149
Less allocated to capital	-	(48)
Net outcome	15,632	14,133

9. Staff Costs

The average number of persons (including senior post-holders) employed by the University during the 17 months to the 31st August, expressed in whole time equivalent is:

	2023	2022
	No. of employees	No. of employees
Teaching and research	1,227	1,191
Technical	173	176
Central administration and services	709	645
	2,109	2,012

	2023	2022
	17 months	19 months
	€'000	€'000
Salaries and wages	197,656	189,745
Allowances and overtime	1,651	2,031
Employer's welfare Costs	19,077	18,134
	218,384	209,910

Termination payments to all staff

	2023	2022
	17 months	19 months
	€'000	€'000
Total termination payments with an aggregate value in excess of €10k paid to each employee	-	57

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Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the University, directly or indirectly, including any Governing Body members (whether executive or otherwise) of the University who report directly to the President.

The total remuneration for key management personnel for the 17 months to the 31st August is as follows:

	WTE	Salary €'000s	Fees €'000s	Employee Benefits €'000s	Post- Employment Benefits €'000s	Termination Benefits €'000s	17 months Total Compensation €'000s	19 months Total Compensation €'000s
Governing Body Members	-	-	-	-	-	-	-	109
President	1	278	-	-	-	-	278	773
Senior Management	25	4,210	-	-	-	-	4,210	4,287
	26	4,488	-	-	-	-	4,488	5,169

The President and the Executive Board are members of the University scheme. The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current “model” public sector regulations.

In the prior period, each of the three Institutes of Technology had its own president.

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Employee Benefits

The table below provides details of employees earning €60,000 or more in salary bands of €10,000. The salary bands are for a 12-month period.

Salary bands	31 August 2023	31 March 2022
€	No. of employees	No. of employees
60,000 – 70,000	209	202
70,001 – 80,000	157	147
80,001 – 90,000	171	224
90,001 – 100,000	390	277
100,001 – 110,000	75	35
110,001 – 120,000	36	22
120,001 – 130,000	7	2
130,001 – 140,000	8	1
140,001 – 150,000	-	1
150,001 – 160,000	1	2
160,001 – 170,000	-	2
170,001 – 180,000	-	1
180,001 – 190,000	-	-
190,001 – 200,000	1	-
Grand Total	1,055	916

10. Other Operating Expenses

Analysis of other operating expenditure	2023	2022
	17 months	19 months
	€'000	€'000
Materials and other consumables	5,689	4,748
Services to Students	4,841	5,849
Consultancy fees	3,308	3,425
Other professional fees	4,040	6,098
General education	3,749	4,352
Premises costs	13,838	13,736
Travel and subsistence	3,276	618
Equipment	6,297	4,862
Computer costs	4,502	4,715
General advertising and publicity	2,855	2,178
Personnel costs	2,279	2,671
Library materials	1,147	1,369

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Other operating expenditure (continued)	2023	2022
	17 months	19 months
	€'000	€'000
Stationery and office materials	967	667
Postgraduate student grants	4,711	3,115
Insurance	1,646	1,477
Communications	689	585
Bad debts provision	1,711	2,321
Other research costs	570	414
Finance costs	513	798
Auditors' remuneration	135	226
Miscellaneous	1,452	1,358
Payments to project partners	7,344	6,852
Hospitality	540	103
Total other operating expenses	76,099	72,537

Other operating expenses include:

Auditors' remuneration:

- Audit of University by the C&AG	135	226
- Internal audit services provided by a third party	126	199
Total	261	425

11. Taxation

The University is exempt from corporation tax under a charitable status order.

12. Financial result for the period/year

The surplus for the period on continuing operations is made up as follows:

Other operating expenses include:	2023	2022
	17 months	19 months
	€'000	€'000
University surplus for the period	8,630	17,614
Subsidiaries and other undertakings	-	165
Total	8,630	17,779

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Notes to the Financial Statements

For the seventeen months ended 31 August 2023

13. Property, plant & equipment

	Land & buildings €'000	Assets in course of construction €'000	Fixtures & fittings €'000	Computer equipment €'000	Plant & machinery €'000	Equipment €'000	Motor Vehicles €'000	Total €'000
Cost								
At 1 April 2022	311,756	5,246	4,993	25,130	3,665	32,542	250	383,582
Additions in period	5,591	23,066	401	454	893	2,115	-	32,520
Disposals in period	-	-	(46)	(64)	(7)	(471)	(24)	(612)
Transfers in period	-	-	-	-	-	-	-	-
Write offs in period	-	-	(623)	(13,173)	(472)	(14,252)	(62)	(28,582)
At 31 August 2023	317,347	28,312	4,725	12,347	4,079	19,934	164	386,908
Depreciation								
At 1 April 2022	109,823	-	3,782	22,617	2,278	27,549	188	166,237
Charge for period	7,497	-	338	2,137	369	2,621	25	12,987
Eliminated on disposals	-	-	(44)	(64)	(7)	(471)	(24)	(610)
Eliminated on write offs	-	-	(623)	(13,173)	(472)	(14,252)	(62)	(28,582)
At 31 August 2023	117,320	-	3,453	11,517	2,168	15,447	127	150,032
Net book value:								
At 31 August 2023	200,027	28,312	1,272	830	1,911	4,487	37	236,876
At 1 April 2022	201,933	5,246	1,211	2,513	1,387	4,993	62	217,345

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14. Property, plant & equipment – in respect of the prior 19 months

	Land & buildings €'000	Assets in course of construction €'000	Fixtures & fittings €'000	Computer equipment €'000	Plant & machinery €'000	Equipment €'000	Motor Vehicles €'000	Subsidiary €'000	Total €'000
Cost									
At 1 September 2020	290,890	8,222	4,258	22,476	3,431	28,812	202	41	358,332
Additions in period	11,993	5,958	572	2,818	423	4,065	63	-	25,892
Disposals in period	-	-	(4)	(164)	(191)	(242)	-	(41)	(642)
Transfers in period	8,873	(8,934)	61	-	-	-	-	-	-
Reclass	-	-	106	-	2	(93)	(15)	-	-
At 31 March 2022	311,756	5,246	4,993	25,130	3,665	32,542	250	-	383,582
Depreciation									
At 1 September 2020	100,750	-	3,443	19,764	2,081	25,189	181	39	151,447
Charge for period	9,073	-	342	3,007	337	2,594	22	-	15,375
Eliminated on disposals	-	-	(4)	(154)	(140)	(244)	-	(39)	(581)
Reclass	-	-	1	-	-	10	(15)	-	(4)
At 31 March 2022	109,823	-	3,782	22,617	2,278	27,549	188	-	166,237
Net book value:									
At 31 March 2022	201,933	5,246	1,211	2,513	1,387	4,993	62	-	217,345
At 1 September 2020	190,140	8,222	815	2,712	1,350	3,623	21	2	206,885

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During the period ended 31 August 2023, an exercise was undertaken to validate the assets being brought from the three former Institutes of Technology to the merged entity ATU. This exercise identified assets which had been fully depreciated and had exceeded their useful life. While the cost of these assets was €28.6m, all had exceeded their useful life resulting in a corresponding net book value impact of zero. The adjustments to remove these assets from the ATU financial system are reflected above.

15. Subsidiary Undertakings and Investments

The University held an interest in the following subsidiary in the period:

Subsidiary undertakings

GMIT Catering Company Ltd.

Principal activity

Management of canteen

Interest held - 100%

	17 months	19 months
	2023	2022
	€'000	€'000
Retained (deficit) at 1 April (1 September)	-	(166)
Surplus for period	-	165
Amount written down for period	-	1
Retained (deficit) at 31 August (31 March)	<u>-</u>	<u>-</u>

The subsidiary undertaking had their registered office and place of business in GMIT, Dublin Road, Galway. The GMIT Catering Company ceased to trade on 31 August 2020. The business of GMIT Catering Company transferred to GMIT on 1 September 2020, all employees transferred to GMIT and became employees of GMIT retaining their existing term and conditions of employment and all assets and liabilities of the company were transferred to GMIT. The company was wound down through voluntary strike off on 29 April 2023.

The Institute of Technology Sligo had a shareholding of 10.39% in Nektr Technologies, which transferred to the University on 1 April 2022. This company was formed in March 2018 to commercialise intellectual property owned by the Institute. Neither the Institute of Technology, Sligo nor the University had capitalised any sums in relation to this company or the Intellectual

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Property which formed the basis of the University's investment. There are no loans nor other financially enforceable obligations arising for the University as a result of this shareholding. No dividend has been received to date from Nektr Technologies. Due to adverse trading conditions, the directors of Nektr Technologies appointed liquidators to the company on 20 December 2023. IT Sligo had not assigned any commercial value to the shareholding and consequently no loss in shareholding arises from the liquidation. However, a bad debt provision was made in the ATU accounts year ended 31st August 2023 of €371,000 which relates to patents and licence fees that had been paid and were due to be reimbursed by Nektr.

On 10 September 2019, the Institute of Technology Sligo formed a Designated Activity Company (DAC) with Sligo County Council and Leitrim County Council - Sligo Leitrim ITS Regional Development Projects Designated Activity Company. The DAC was formed with the purpose of progressing regional development projects and the Institute owned 34% of the shares which transferred to the University on its establishment on the 1 April 2022. The Institute of Technology Sligo made a financial commitment to the company to provide matched funding for the Digital Manufacturing Futures Centre in cash to the amount of €271,000 and a loan of €240,000 to temporarily finance working capital. This commitment transferred to the University on its establishment. €111,000 of the matched funding was paid by the Institute of Technology, Sligo prior to the establishment of the University. Further payments of €160,000 were made by the University during the period from 1 April 2022 to 31 August 2023. None of the matched funding (€271,000) provided by Institute of Technology, Sligo and the University has been capitalised. The proposed loan (€240,000) has not yet been paid.

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16. Receivables

	31 Aug 2023 €'000	31 Mar 2022 €'000
Trade receivables	903	861
Research grants and contracts receivable	4,203	4,635
State grants receivable	6,910	2,414
State capital grant receivable	2,251	1,651
Academic fees receivable	4,513	12,347
Provision for bad debts	(3,977)	(3,477)
Prepayments	1,333	1,907
Student support funding	143	-
Other receivables	915	204
	17,194	20,542

17. Cash and Cash Equivalents

	31 Aug 2023 €'000	31 Mar 2022 €'000
Cash at bank including balances held on short term deposit	97,956	115,111

18. Payables: amounts falling due within one year

	31 Aug 2023 €'000	31 Mar 2022 €'000
Trade payables	2,632	834
Research grants and contracts in advance	12,449	9,983
Fees received in advance	5,089	27,150
State grants received in advance	21,262	19,827
State capital grant received in advance	380	2,047
Other payables	11,432	12,440
Other amounts received in advance	8	-
Student support funding	491	2,813
Other tax and social security	5,150	3,991
	58,893	79,085

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19. Lease Commitments/Licence Agreements

Total future minimum lease payments under non-cancellable operating leases/licenses are as follows:

	Land & buildings 31 Aug 2023 €'000	Land & buildings 31 Mar 2022 €'000
Operating leases		
<i>Expiring:</i>		
within 1 year	580	598
between 2 and 5 years	783	847
greater than 5 years	972	1,223
Total commitments	2,335	2,668

In October 2019, GMIT entered into a licence agreement with Liam Mellows GAA club for a period of thirty years to use their property for the purpose of facilitating the GAA activities of GMIT on Liam Mellows playing pitches and training grounds. This agreement transferred to the University on 1 April 2022. The University pays an annual licence fee of €24,000 and has paid a capital contribution of €410,000 and an amount of €17,410 for design, tendering and planning fees.

In August 2020, IT Sligo entered into a commercial letting agreement for the former Ward automation building and site at Finisklin, County Sligo, for four years which transferred to the University on 1 April 2022.

In January 2022, GMIT purchased Crowley Park for € 8,950,000. This was approved by the Department of Further and Higher Education, Research, Innovation and Science and the Higher Education Authority and Exchequer funding of €6,450,000 was provided. GMIT granted a licence to Galwegians Rugby Club to use the property for 9 years and 11 months (annual fee starting at €12,500 per annum rising to €27,000 per annum) which transferred to the University on 1 April 2022. ATU can use the property during the period of the licence. In August 2022, ATU agreed a three year partnership/sponsorship agreement with Connaught Rugby. ATU will pay €220,000 over the period.

In January 2022, IT Sligo entered into a commercial letting agreement for Block 8, Clarion Village, Sligo for ten years which transferred to the University on 1 April 2022.

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In November 2022, ATU entered into a 20-year lease with COMHOIBRIU CLG Trading as CREW (Creative Enterprise West) for an annual rent of €1.00 per annum. The lease provided the ground at ATU's Wellpark Campus on which CREW built, at its own cost, the Creative Enterprise Centre. The land and building revert to ATU at the end of the lease or the lease may be extended further, at ATU's discretion.

20. Deferred Capital Grants

	31 Aug 2023 €'000	31 Mar 2022 €'000
At 1 April (1 September) opening balance	217,485	206,831
<i>Cash received in period/year:</i>		
Allocated from state recurrent grant	3,812	5,222
Higher Education Authority	8,794	4,011
Research Grants & Contracts	1,304	2,328
Higher Education Authority-capital	18,336	14,499
Total	32,246	26,060
Amortised to income and expenditure in period/year		
Amortised in line with depreciation	(12,960)	(15,345)
Amortisation on assets disposed during the period	(2)	(61)
Total	(12,962)	(15,406)
	236,769	217,485

21. Capital Development Reserve

	31 Aug 2023 €'000	31 Mar 2022 €'000
At 1 April (1 September) opening balance	51,574	29,888
Transferred from Revenue Reserves	-	25,310
Transfer to income and expenditure account	(1,258)	(222)
Transfer to deferred state capital grants	(8,694)	(3,402)
	41,622	51,574

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22. Capital Commitments

	31 Aug 2023 €'000	31 Mar 2022 €'000
Contracted for but not provided	6,878	22,380
Authorised but not contracted	-	-
	6,878	22,380

23. Technological University Establishment

Atlantic Technological University was established on 1 April 2022 through the merger of Galway Mayo Institute of Technology, the Institute of Technology Sligo and Letterkenny Institute of Technology.

This project has been funded directly by TUTF funded mechanism. The total project cost to the end of August 2023 is €33.5m with further costs to completion of €1.7m. Between April 2022 and August 2023, ATU allocated a total of €19m (September 2020 to March 2022 €15m) to university integration activities, of which €10.3m (September 2020 to March 22 €5.3m) has been funded directly by the HEA, via TUTF. This includes an allocation for St Angelas' College. All funding was expended in pursuance of the project objectives and has been aligned to 9 work packages which support the key pillars, including the incorporation of St Angela's.

24. Related Parties

In the normal course of business, the University may enter contractual arrangements with undertakings in which the University's Governing Body members are employed or otherwise interested. The University has adopted procedures in accordance with the THEA Code of Governance for Institutes of Technology 2018 in relation to the disclosure of interests by members of the Governing Body and the University has complied with these procedures during the year.

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Galway Mayo Institute of Technology entered into a Licence Agreement arranged with TruCorp Ltd on 25 September 2018 which transferred to the University on 1 April, 2022. This arrangement provided the Licensee (TruCorp Ltd) with rights to use Intellectual Property owned by the University (relating to Training Phantoms for Ultrasound Guided Regional Anaesthesia) and to develop and commercialise licensed products. The University has no shareholding arrangement with TruCorp Ltd. Revenues from the licence to TruCorp Ltd accrued through initial milestone payments and ongoing royalties €18,750 received for the period ended 31st August 2023, (€11,640 period ended 31 March 2022).

The Institute of Technology Sligo had a shareholding of 10.39% in Nektr Technologies, which transferred to the University on 1 April 2022. This company was formed in March 2018 to commercialise intellectual property owned by the Institute. Neither the Institute of Technology, Sligo nor the University had capitalised any sums in relation to this company or the Intellectual Property which formed the basis of the University's investment. There are no loans nor other financially enforceable obligations arising for the University as a result of this shareholding. No dividend has been received to date from Nektr Technologies. Due to adverse trading conditions, the directors of Nektr Technologies appointed liquidators to the company on 20 December 2023. IT Sligo had not assigned any commercial value to the shareholding and consequently no loss in shareholding arises from the liquidation. However, a bad debt provision was made in the ATU accounts year ended 31st August 2023 of €371k which relates to patents and licence fees that had been paid and were due to be reimbursed by Nektr.

On 10 September 2019, the Institute of Technology Sligo formed a Designated Activity Company (DAC) with Sligo County Council and Leitrim County Council - Sligo Leitrim ITS Regional Development Projects Designated Activity Company. The DAC was formed with the purpose of progressing regional development projects and the Institute owned 34% of the shares which transferred to the University on its establishment on the 1 April 2022. The Institute of Technology Sligo made a financial commitment to the company to provide matched funding for the Digital Manufacturing Futures Centre in cash to the amount of €271,000 and a loan of €240,000 to temporarily finance working capital. This commitment transferred to the University on its establishment. €111,000 of the matched funding was paid by the Institute of Technology, Sligo prior to the establishment of the University. Further payments of €160,000 were made by the University during the period from 1 April 2022 to 31 August 2023. None of the matched funding (€271,000) provided by Institute of

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Technology, Sligo and the University has been capitalised. The proposed loan (€240,000) has not yet been paid.

There was no cost to the Exchequer for any financing arrangements attaching to any joint venture or other similar arrangements (including loans, dividends or other forms of funding provided by the University at the point of establishment of the joint venture / arrangement and thereafter) apart from those detailed for the DAC above (Sligo Leitrim ITS Regional Development Projects Designated Activity Company).

In the prior period, a payment of €100,000 was made to Donegal Education and Training Board as part of the Cross Border Cluster project. ATU is the lead partner of this fund (previously through Letterkenny Institute of Technology) and is responsible for the distribution of funds to other project partners. There was no such payment in the current period.

25. Retirement Benefit Costs

(i) Staffing

Retirement benefit obligations were accounted for the first time in the 2016/2017 financial statements. The opening position at 1 September 2016 has been estimated by the actuary, based on market conditions at that time. Examinations of records may identify changes to members' records in the future and these are reflected as past service costs. (see (iii) below)

(ii) Description of Schemes

University Scheme

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The scheme provides a pension (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation. Deductions from staff are retained by the University.

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Single Scheme

New entrant staff employed by the University after 1 January 2013 are members of the Single Public Service Pension Scheme in accordance with Public Sector Pensions (Single Scheme and Other Provisions) Acts 2012. Deductions from staff salaries under the Single Scheme are transferred to DEPR on a monthly basis in accordance with the Act.

The Single Scheme is the occupational pension scheme for new-entrant public servants hired since 1 January 2013. It is a defined benefit scheme, with retirement benefits based on career-average pay. The scheme generates pension credits and retirement lump sum credits for each scheme member. These money credits, known as “referable amounts”, accrue as percentages of pay on an ongoing basis. The referable amounts accrued each year are revalued annually until retirement in line with inflation increases (Consumer Price Index). The annual pension awarded on retirement is the cumulative total of a scheme member’s pension referable amounts, and the retirement lump sum awarded is, similarly, the total of the scheme member’s lump sum referable amounts.

(iii) Valuation

The valuation used for FRS 102 disclosures has been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 August 2023. On retirement, members’ pensions are paid by the National Shared Services Office on behalf of the DFHERIS and those payments are charged to that Department’s appropriation account. Therefore, former employees of the University who are in receipt of a pension have been excluded from the valuation. The reduction in liability arising from members who retire during the year is reflected as an experience gain and is separately identified in the liability reconciliation.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 August 2023 were as follows:

	2023	2022
Discount rate	4.2%	1.40-2.25%
Inflation rate	2.6%	1.85-2.55%
Salary increases	3.85%	3.10-3.80%
Pension increases - Superannuation Scheme	3.35%	2.60-3.30%
Pension increases - Single Scheme	2.6%	1.85-2.86%

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The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The number of members in the Scheme and the number of deaths are too small to analyse and produce any meaningful Scheme-specific estimates of future levels of mortality. Average future life expectancy according to the mortality tables used to determine the pension liabilities are:

	2023	2022
	Years	Years
Male aged 65	21.8 years	21.8 years
Female aged 65	24.1 years	24.1 years
	2023	2022
	€'000	€'000
Current service cost	64,511	63,810
Interest on retirement benefit scheme liabilities	25,601	14,797
Employee contributions / (benefits paid)	(11,091)	(10,614)
	79,021	67,993

(iv) Movement in net retirement benefit obligations during the financial year

	2023	2022
	€'000	€'000
Net retirement benefit obligation at 1 April 2022	803,187	746,295
Current service costs	53,420	53,196
Employee contributions	11,091	10,614
Interest costs	25,601	14,797
Benefits paid in period	-	-
Experience losses /(gains) on liabilities	-	6,350
Changes in actuarial assumptions	(252,483)	(7,798)
Past service losses / (gains)	(37,257)	-
Reduction in pension liabilities arising from retirements	(34,430)	(20,267)
Net retirement benefit obligations at 31 August 2023	569,129	803,187

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Split between:

Single Public Sector Pension Scheme	28,399	25,115
Education Sector Superannuation Scheme	540,730	778,072
Net retirement benefit obligations at 31 August 2023	569,129	803,187

(v) *Deferred funding asset for retirement benefits*

The University is prescribed in S.I. No 581 of 2012 as a relevant authority for the purposes of the Single Scheme. 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.

The University recognises amounts owing from the State for the unfunded deferred liability for retirement benefits relating to the Education Sector Superannuation Scheme 2015 on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the retirement benefit scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. The University has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The net deferred funding for retirement benefits recognised in the Statement of Comprehensive Income was as follows:

	2023	2022
	€'000	€'000
Funding recoverable in respect of retirement benefit costs	79,021	67,993
	79,021	67,993

The deferred funding liabilities for retirement benefit as at 31 August 2023 amounted to €569,129,000 (2020/2022: €803,187,000).

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(vi) *History of defined benefits obligations*

	2023 €'000	2022 €'000
Defined benefit obligations	569,129	803,187

26. Contingent Liabilities

There were no contingent liabilities existing at 31 August 2023.

27. Post Balance Sheet Events

In the summer of 2020, the Institute of Technology Sligo commenced talks with St. Angela's College Sligo on the incorporation of St. Angela's into the Institute of Technology, Sligo. These discussions ultimately ended with the signing of an incorporation agreement between St. Angela's and the University on 31 May 2023. This was followed by an order from the Minister for FHERIS dated 5 July 2023 (SI no. 356 of 2023) and St. Angela's was incorporated into the University on 1 November 2023.

28. Comparative Figures

Where necessary, the comparative figures have been recognised and restated on the same basis as the current period figures.

29. Approval of Financial Statements

The financial statements were approved by the Governing Body on December 9th, 2024.