



INSTITUTE OF TECHNOLOGY SLIGO

**FINANCIAL STATEMENTS FOR THE NINETEEN MONTHS ENDED
31 MARCH 2022**

CONTENTS

	Page Number
Corporate Governance Statement	2 - 12
Statement on System of Internal Controls	13 - 16
Report from the Comptroller and Auditor General	17 - 19
Financial Statements	20
Statement of Comprehensive Income	21
Statement of Changes in Reserves and Capital Account	22
Statement of Financial Position	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 - 44

CORPORATE GOVERNANCE STATEMENT

At midnight on 31 March 2022, the Institute of Technology, Sligo (the Institute) was dissolved and from 1 April 2022, the Atlantic Technological University (the University) was established under the terms of the Technological Universities Act 2018 and the Technological Universities Act 2018 (section 36) (appointed day) Order 2022 (SI 56 of 2022). As the Governing Body Chair and President of the University, we make the following statements based on the work of the Governing Body and Management of the Institute.

Governing Body

The Institute's Governing Body was established under the Regional Technical Colleges Acts 1992 to 2001 and additional functions were assigned under the Institutes of Technology Act 2006. The Governing Body of the Institute was accountable to the Minister for Further and Higher Education, Research, Innovation and Science and was responsible for ensuring good governance. The Governing Body was collectively responsible for leading and directing the Institute'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 Institute performance, and overseeing major capital expenditure and investment decisions. The 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 Institute, having due regard to its legal responsibilities and the objectives set by Government.

Strategic Plan, Annual Programmes and Budget

The Institute's Governing Body had formally undertaken an evaluation of actual performance, by reference to the Institute's Strategic Plan and Budget and had subsequently approved an Annual Programme and Budget for the Institute.

Compliance with Public Spending Code

The Governing Body confirms that Institute of Technology, Sligo adhered to the relevant aspects of the Public Spending Code and that the Governing Body has ensured robust and effective systems and procedures are in place to ensure compliance with the relevant principles, requirements and guidelines of the Public Spending Code including guidelines for achieving value for money.

Management of Capital Projects

Institute of Technology, Sligo confirms that its policies and procedures in the management of capital projects complied with the relevant principles, requirements and guidelines of the Public Spending Code and the Capital Works Management Framework.

Governing Body Meetings

During the period from 1 September 2020 to 31 March 2022 the Institute's Governing Body met on 24 separate occasions (see figure 1.1 below for the details). During the period the Governing Body met 5 times without executive members or management present.

Figure 1.1 Governing Body Meetings:

Governing Body Member	Role / Nominated By / Representative Body	Number of Meetings Attended
Cllr. Mary Bohan	Mayo Sligo and Leitrim Education and Training Board (MSLETB)	18/24
Mr. Geoffrey Browne	Donegal Education and Training Board (DETB)	20/24
Mr. Paraic Casey	Health Service Executive (HSE)	20/24
Ms. Mary Dolan Mc Loughlin	Services Industrial Professional and Technical Union (SIPTU)	13/24
Ms. Saskia Dooley	Student Representative	6/10
Mr. John Feerick	Local Community Development Committee (LCDC)	8/11
Cllr. Richard Finn	MSLETB	4/24
Ms. Beatrice Flavin	Academic Staff	24/24
Mr. Ciaran Hayes	Local Community Development Committee (LCDC)	4/5
Dr. Mick Henry	Environmental Protection Agency (EPA)	20/24
Ms. Martina Kelly	Non-Academic Staff	24/24
Mr. Seamus Kilgannon	MSLETB	21/24
Ms. Mary Madden	MSLETB	17/24
Mr. Daire Martin	Student Representative	7/10
Dr. Brian McCann	Academic Staff	24/24
Dr. Brendan Mc Cormack	President	23/24
Mr. Felim Mc Neela	Sligo Chamber	21/24
Mr. Niall O'Donnellan	Chairperson	24/24
Cllr. Rosaleen O'Grady	MSLETB	12/24
Mr. Jason Quinn	Student Representative	10/13
Ms. Nicola Foster McDaid	Student Representative	3/8
Ms. Sarah Searson	Arts Council	12/19

INSTITUTE OF TECHNOLOGY SLIGO

Institute of Technology, Sligo paid fees and/or expenses to members of the Governing Body in accordance with guidelines from the Department of Finance.

Governing Body Member	Expenses €	Interview Fees €	Total Paid €
Cllr. Mary Bohan	-	21,300	21,300
Mr. Geoffrey Browne	214	31,500	31,714
Mr. Seamus Kilgannon	-	5,100	5,100
Mr. Niall O'Donnellan	598	-	598
Ms. Sarah Searson	-	1,500	1,500
Total	812	59,400	60,212

Risk Management

The Institute's Governing Body approved the Institute's risk management framework and monitored its effectiveness, approval and oversight of Institute of Technology, Sligo's Risk Management Policy including structured and periodic reviews and updates to the Institute 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 Institute Corporate Risk Register.

Audit and Risk Committee

The Terms of Reference for the Audit and Risk Committee was set by the Governing Body of the Institute and include provision regarding:

- Membership
- Reporting Requirements
- Authority to investigate
- Meetings – timing, conduct and frequency
- Information requirements
- Value for money
- Governance and responsibilities regarding:
 - Risk Management
 - Internal Control
 - Internal Audit
 - External Audit
 - Review of its own effectiveness.

The Chairperson of the Governing Body was satisfied that the Audit and Risk Committee had discharged its role effectively and efficiently and had met the requirements with regard to frequency of meetings in this Academic Period. During the period from 1 September 2020 to 31 March 2022 the Audit and Risk Committee met on 12 occasions. See figure 1.2a below for details of meetings held during the period.

Other Committee Meetings

The Equality, Diversity and Inclusion Committee met on 7 occasions. See figure 1.2b below for details of meetings held during the period.

Figure 1.2a Audit and Risk Committee Meetings:

Member	Role	Number of Meetings Attended
Mr. Paraic Casey (Chair)	Member of Governing Body	12/12
Councillor Mary Bohan	Member of Governing Body	6/12
Mr. Felim McNeela	Member of Governing Body	12/12
Ms. Aisling McCabe	External Member	11/12
Mr. Peter McCarrick	External Member	5/6

Figure 1.2b Equality, Diversity and Inclusion Committee Meetings:

Member	Role	Number of Meetings Attended
Prof. Jacqueline McCormack	Chair – Vice President Online Development	7/7
Tom Reilly	Equality, Diversity & Inclusion Manager	7/7
Aoife Cooke	External - (Head of Equal Opportunities NUIG)	6/7
Owen Barr	External - (Professor of Nursing & Intellectual Disabilities Ulster University)	5/7
Geoffrey Browne	Member of Governing Body	5/7
Dr. Brendan McCormack	Member of Governing Body – President ITS	5/7
Beatrice Flavin	Member of Governing Body	5/7
Mary Madden	Member of Governing Body	5/7
Jason Quinn	Students Union President 2020-21	0/4
Daire Martin	Students Union President 2021-22	1/3

Performance Evaluation of the Governing Body and its Committees

The Governing Body commissioned an external review of its performance during the Governing Body term 2015-2020 which was carried out during the 2018/19 academic year with the assistance of the Institute of Public Administration (IPA) and the results of this were approved by the Governing Body on 19 June 2019.

Internal assessments were carried out on 24 February 2021 and 16 February 2022 by the members of the Governing Body.

General Governance and Accountability Issues

Institute of Technology, Sligo confirmed that there were no governance and accountability issues that the Institute wished to bring to the attention of the Minister for Further and Higher Education, Research, Innovation and Science and the HEA.

Asset Disposals

Institute of Technology, Sligo confirmed 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 have not been subject to auction or competitive tendering process during the financial period.

Commercially Significant Developments affecting the Institute.

Institute of Technology, Sligo confirmed that there were no commercially significant developments that affected the Institute in the period apart from those given below. There were also, to the Institute's knowledge, no major issues likely to arise in the short to medium term that will affect the Institute apart from the Institute's joint application with Galway Mayo Institute of Technology and Letterkenny Institute of Technology for Technological University designation. This application was successful and on 1 April 2022, the Institute of Technology, Sligo was dissolved, and the Atlantic Technological University was established.

The Institute had a shareholding of 10.39% in Nektr Technologies. This company was formed in March 2018 to commercialise intellectual property owned by the Institute. There were no loans nor other financially enforceable obligations that arose for the Institute as a result of this shareholding. No dividend had been received to date from Nektr Technologies.

In January 2021 the Institute received a proposal from the shareholders of Nektr which would see the company acquire new funding through the further issue of shares. Under this proposal the Institute's shareholding would be diluted from 10.39% to 8.61%. The Governing Body agreed to this proposal on 24 February 2021. The Institute's shareholding remained at 10.39% as the share issue agreed had not yet been effected. See note 22 for further detail.

INSTITUTE OF TECHNOLOGY SLIGO

On 10 September 2019 the Institute 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. The financial commitment the Institute made to the company was to provide matched funding for the Digital Manufacturing Futures Centre in cash to the amount of €271,244. Of this €111,000 was paid during the year ended 31 August 2021. A further payment of €25,000 was made in September 2022 by Atlantic Technological University on foot of commitments made by the Institute.

Summary of all Off-Balance Sheet Transactions of the Institute

There were no off-balance sheet financial transactions during the period.

Code of Conduct for Members and Employees

Institute of Technology, Sligo implemented a Code of Conduct for both Members and Employees. This included clear conflict of interest and ethics in public office policies.

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

Institute of Technology, Sligo complied with its obligations under the Government policy on the pay of the President and all other Institute employees.

Please also refer to financial statement's disclosure note 9.

Statement of Compliance

The Institute of Technology, Sligo confirmed that Government Pay Guidelines were being complied with in respect of such appointees who serve on the Governing Body and any subsidiaries of the Institute.

Confidential Disclosure Reporting - Protected Disclosures Act 2014

The Governing Body implemented procedures for Confidential Disclosure Reporting in the Institute of Technology, Sligo. These procedures allowed 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 took place. The Confidential Disclosure Reporting in place at Institute of Technology, Sligo was in line with the Protected Disclosures Act 2014.

The Governing Body published the Annual Report, as required under section 22(1) of the Act.

There were no protected disclosures received from employees of Institute of Technology, Sligo during the period.

Tax Laws

Institute of Technology, Sligo complied with its obligations under tax law. Please also refer to financial statement disclosure note 11.

Legal Disputes

A breakdown of the legal costs/settlements is included in the financial statements disclosure note 10a. Institute of Technology, Sligo had no legal disputes involving other State Bodies.

Institute Subsidiaries

Institute of Technology, Sligo had two subsidiaries which operated for the following purposes:

Figure 1.5		
Subsidiary Name	Year of Establishment	Purpose / Function
BCS Ltd	1992	To run the Canteen and other secondary activities at the Institute.
CREDCO Ltd	1991	To progress research and consultancy activities.

Both of these subsidiaries were placed into liquidation on 30 June 2017 and the liquidation has since been finalised (23 September 2020 for BCS Ltd and 16 September 2020 for CREDCO Ltd).

Please refer to the financial statements disclosure note 14 for additional detail.

Intellectual Property (IP) and Conflict of Interest

- (i) The Institute had in place a single IP policy, published on its website, which reflected the National IP Management Requirements of the national IP Protocol.
- (ii) The Institute had in place a single Conflict of Interest and Dispute Resolution Policy, that this was published on its website.

The Institute confirms that the Governing Body reviewed all IP commercialisation and conflicts of interest on an annual basis.

Gender Balance, Diversity and Inclusion

Institute of Technology, Sligo recognised the importance of diversity and inclusion for all staff and students of the Institute. To that regard the Institute had made an application for the Athena Swan Bronze award from AdvanceHE, which was approved by the Governing Body on 11 November 2020, a body concerned with gender equality and diversity in the third level education sector. This application included a comprehensive action plan to tackle gender equality, diversity and inclusion in the Institute. The Institute received the Bronze award in March 2021.

With respect to the membership of the Governing Body, while the Institute could, and had, engaged in the appointments process, the appointment decisions were made by the Minister. As at 31 March 2022, the Governing Body had 8 (42%) female and 11 (58%) male members. The Governing Body therefore met the

INSTITUTE OF TECHNOLOGY SLIGO

Government target of a minimum of 40% representation of each gender in the membership of boards of state bodies.

Please refer to Figure 1.1 above for the listing of Governing Body members and their roles.

Institute of Technology, Sligo confirmed that Government travel policy requirements are being complied with in all respects.

Travel and Subsistence

	19 months 31 March 2022 €000's	12 months 31 August 2020 €000's
Domestic Travel	90	266
International Travel	48	181
Total	138	447

Hospitality Expenditure

	19 months 31 March 2022 €000's	12 months 31 August 2020 €000's
Staff Events	25	35
Conferring	-	33
Other External	-	5
Total	25	73

Legal Costs/Settlements

	19 months 31 March 2022 €000's	12 months 31 August 2020 €000's
Professional Fees	287	134
Settlements	-	33
Total	287	167

Consultancy fees

	19 months 31 March 2022 €000's	12 months 31 August 2020 €000's
Legal	287	167
Tax and financial advisory	420	317
Public relations/marketing	68	47
Pensions and human resources	56	29
Other	533	347
Total	1,364	907

Annual Report and Financial Statements

The Governing Body of the University has reviewed and approved the Annual Reports and Financial Statement and considers the Financial Statement to be a true and fair view of the Institute's financial performance and its financial position at the end of the period.

Responsibilities of the Institute and the University

ATU is required under The Technological Universities Act 2018 to prepare the final Financial Statements of the Institute and to submit them for audit to the Comptroller and Auditor General. In preparing these Financial Statements, the Governing Body is required to:

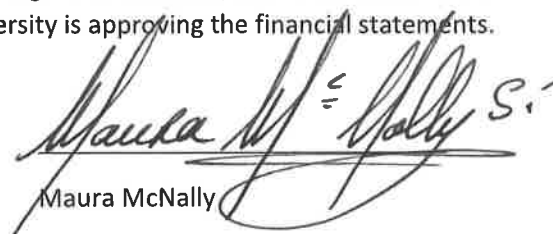
- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare Financial Statements on the going concern basis, unless it is inappropriate to presume that the Institute will continue in operation; and
- Disclose and explain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

The Governing Body of the institute was responsible for keeping adequate accounting records which disclosed with reasonable accuracy at any time the financial position of the Institute and which enabled it to ensure that the Consolidated Financial Statements comply with the Institutes of Technology Acts 1992 to 2006.

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

As at midnight on 31 March 2022, the Institute of Technology Sligo was dissolved, and all functions were transferred to the Atlantic Technological University. The University is approving the financial statements.

Chairperson, Atlantic Technological University:


Maura McNally

President, Atlantic Technological University:


Dr Orla Flynn

Date:

24.07.2023.

STATEMENT ON SYSTEM OF INTERNAL CONTROLS

[Faint handwritten signature]

Scope of Responsibility

At midnight on 31 March 2022, the Institute of Technology, Sligo (the Institute) was dissolved and from 1 April 2022, Atlantic Technological University (the University) was established under the terms of the Technological Universities Act 2018 and the Technological Universities Act 2018 (section 36) (appointed day) Order 2022 (SI 56 of 2022).

Up to that date the Governing Body of the Institute was responsible for ensuring that an effective system of internal controls was maintained and operated in the Institute and for putting in place processes and procedures for the purpose of ensuring that the system was effective. This responsibility reflected the requirements of the Code of Practice for the Governance of State Bodies (2016) as encapsulated by the THEA Code of Governance for Institutes of Technology.

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

Purpose of the System of Internal Controls

The system of internal controls was 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.

The system of internal controls, which accorded with guidance issued by the Department of Public Expenditure and Reform, had been in place in Institute of Technology, Sligo up to the date of dissolution.

Annual Review of the Effectiveness of Internal Control

The Governing Body of the Institute conducted annual reviews of the effectiveness of the system of internal control for the period from 1 September 2020 to 31 August 2021 on 8 December 2021 and for the period 1 September 2021 to 15 March 2022 on 30 March 2022. The Governing Body of the University, under Section 52 of the Technological University Act of 2018, conducted a further review for the period from 15 March 2022 to the 31 March 2022 on 4 July 2022.

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

No breaches or weaknesses in internal control were identified which required disclosure in the Institute's Statement on System of Internal Controls.

Review of Statement of Internal Control

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

Appropriate Control Environment

The Governing Body of the Institute had taken steps to ensure an appropriate control environment was in place by:

- Clearly defining management responsibilities;
- Developing procedures and regulations which are reviewed regularly and are 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 is taken;
- Adopting and adhering to the Code of Practice for the Governance of State Bodies as encapsulated by the THEA Code of Governance for Institutes of Technology; and
- Ensuring the control environment includes an active Audit and Risk Committee, internal audit function and regular reporting to the Governing Body on financial results.

Business Risks

Institute of Technology, Sligo developed processes to identify and evaluate business risks. This was achieved in a number of ways including:

- Developing a strategic plan for the Institute 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 Governing Body;
- Regular reviews by the Governing Body and its committees of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performances; and
- Clearly defined capital investment control guidelines.

Information Systems

Institute of Technology, Sligo 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;
- Course Builder application – Module Manager;
- Timetabling – Syllabus; and
- Library Management – Koha.

Financial Implications of Major Business Risks

Institute of Technology, Sligo employed a range of actions to reduce the potential for fraudulent activity. Institute of Technology, Sligo’s internal control policy framework included written policies and procedures requiring transactions to be properly authorised and providing for sufficient segregations of duties.

Compliance with Procurement Rules and Guidelines

The Institute had a Corporate Procurement Plan and procedures were in place to ensure compliance with Public Procurement Guidelines and relevant guidance issued by the Office of Government Procurement (OGP), the Education Procurement Service (EPS) and the Department of Public Expenditure and Reform. The total value of non-compliant procurement in the Institute during the nineteen months to 31 March 2022 was €146,333 (4 suppliers).

Review of the Effectiveness of the Internal Control System

Institute of Technology, Sligo had procedures to monitor the effectiveness of its risk management and control procedures. The Institute’s Governing Body monitoring and review of the effectiveness of the system of internal control was informed by the work of the Institute 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.

Institute of Technology, Sligo had an outsourced internal audit function, which was in accordance with the Internal Audit Terms of Reference approved by the Governing Body and the THEA Code of Governance for Institutes of Technology.

The Audit and Risk Committee reviewed the impact of the pandemic on the control environment and the operation of the Institute’s control procedures at its meetings on 23 November 2021 and 15 March 2022 and determined that there was minimal impact.

Signed on behalf of the Governing Body of Institute of Technology, Sligo

 S.C. 21/8/23
Maura McNally Date
Chairperson, Atlantic Technological University


24/07/2023
Dr. Orla Flynn Date
President, Atlantic Technological University

REPORT FROM THE COMPTROLLER AND AUDITOR GENERAL



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Institute of Technology Sligo

Opinion on the financial statements

I have audited the financial statements of the Institute of Technology Sligo (now dissolved) for the 19 month period ended 31 March 2022 as required under the provisions of the Technological Universities Act 2018. The financial statements were prepared by the Atlantic Technological University and comprise

- the statement of comprehensive income
- the statement of changes in reserves and capital account
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Institute at 31 March 2022 and of its income and expenditure for the 19 month 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 Institute and of the Atlantic Technological 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 Atlantic Technological University has presented certain other information together with the financial statements. This comprises the corporate governance statement and the statement on the system of 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.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

7 September 2023

Appendix to the report

Responsibilities of the Institute and the Atlantic Technological University

Sligo Institute of Technology was dissolved on 31 March 2022 and its assets, liabilities and staff transferred to the Atlantic Technological University.

The corporate governance statement sets out the respective responsibilities of the Institute and the Atlantic Technological University for

- the preparation of annual financial statements in the form prescribed under the Institutes of Technology Acts 1992 to 2006
- 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 section 52 of the Technological Universities Act 2018 to audit the financial statements of the Institute 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.
- 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.

FINANCIAL STATEMENTS


INSTITUTE OF TECHNOLOGY, SLIGO

Statement of Comprehensive Income Period ended 31 March 2022


	Note	19 mths 31/03/22 €000's	12 mths 31/08/20 €000's
Income			
State Grants	3	49,089	27,325
Tuition Fees and Student Contribution	4	39,206	22,322
Research Grants & Contracts	5	21,924	5,972
Student Support Funding	7	960	232
Other Income	8	3,940	2,495
Amortisation of Deferred Capital Grants	19	4,491	2,977
Interest Income		7	17
Deferred Pension Funding	25	22,101	12,994
Total Income		141,718	74,334
Expenditure			
Staff costs	9	71,994	39,844
Retirement Benefit Cost	25	22,101	12,994
Other Operating Expenses	10	37,040	15,345
Depreciation	13	4,495	2,980
Total Expenditure		135,630	71,163
Surplus before tax		6,088	3,171
Taxation	11	-	-
Surplus for the period / year before other gains and losses		6,088	3,171
Experience (losses)/gains on retirement benefit obligations		(513)	(413)
Reduction in pension liabilities arising from retirements in the year		3,442	3,393
Changes in assumptions underlying the present value of retirement benefit obligations		1,046	8,532
Total actuarial gains /(losses) in the period / year	25	3,975	11,512
Adjustment to deferred retirement benefits funding	25	(3,975)	(11,512)
Total Comprehensive Income for the period / year		6,088	3,171

The Statement of Comprehensive Income includes all gains and losses recognised in the period.
Notes 1 to 28 form part of these financial statements.

Signed on behalf of the Atlantic Technological University Governing Body:


Chairperson, Atlantic Technological University, Maura McNally

21/8/23
Date


President, Atlantic Technological University, Dr Orla Flynn

24/07/2023
Date

INSTITUTE OF TECHNOLOGY, SLIGO

Statement of Changes in Reserves and Capital Account Period ended 31 March 2022


	Note 19	Note 20	I&E	Total
	Deferred State Capital Grants €000's	Capital Development Reserve €000's	Revenue Reserves €000's	€000's
Opening Balance at 1 September 2019	76,979	13,588	3,835	94,402
Surplus for the year before appropriations	-	-	3,171	3,171
Amortisation of Deferred Capital Grants	(2,977)	-	-	(2,977)
Adjustment to accumulated depreciation	-	-	-	-
State Grant Allocated to Capital	99	-	-	99
State Capital Grants	4,225	-	-	4,225
Other Capital Grants	174	-	-	174
Transfer to Capital Development Reserve	-	1,012	(1,012)	-
Transfer from Capital Development Reserve to Deferred State Capital Grants	-	-	-	-
Movement for the Period	1,521	1,012	2,159	4,692
Balance at 31 August 2020	78,500	14,600	5,994	99,094
Surplus for the period before appropriations	-	-	6,088	6,088
Amortisation of Deferred Capital Grants	(4,491)	-	-	(4,491)
State Grant Allocated to Capital	173	-	-	173
State Capital Grants	6,339	-	-	6,339
Other Capital Grants	426	-	-	426
Disposal of Assets	(51)	-	-	(51)
Transfer to Capital Development Reserve	-	13,040	(13,040)	-
Transfer from Capital Development Reserve to Deferred State Capital Grants	-	-	-	-
Movement for the Period	2,396	13,040	(6,952)	8,484
Balance at 31 March 2022	80,896	27,640	(958)	107,578

Notes 1 to 28 form part of these financial statements.

Signed on behalf of the Atlantic Technological University Governing Body:


Chairperson, Atlantic Technological University, Maura McNally

21/8/23
Date


President, Atlantic Technological University, Dr Orla Flynn

24/07/2023
Date

INSTITUTE OF TECHNOLOGY, SLIGO

Statement of Financial Position As at 31 March 2022

	Note	31/03/22 €000's	31/08/20 €000's
Fixed Assets			
Property, Plant & Equipment	13	80,901	78,509
Investments	14	-	-
		<u>80,901</u>	<u>78,509</u>
Current Assets			
Receivables	15	8,838	4,159
Cash and Cash Equivalents	16	47,543	30,480
		<u>56,381</u>	<u>34,639</u>
Less Payables: Amounts due within 1 year	17	(29,704)	(14,054)
Net Current Assets		<u>26,677</u>	<u>20,585</u>
Total Assets less Current Liabilities		<u>107,578</u>	<u>99,094</u>
Retirement Benefits			
Retirement benefits obligations	25	(258,915)	(237,309)
Deferred retirement benefit funding asset	25	258,915	237,309
Total Net Assets		<u>107,578</u>	<u>99,094</u>
Deferred State Capital Grants	19	80,896	78,500
Unrestricted Reserves			
Income & Expenditure Reserve		(958)	5,994
Capital Development Reserve	20	27,640	14,600
		<u>26,682</u>	<u>20,594</u>
Total		<u>107,578</u>	<u>99,094</u>

Notes 1 to 28 form part of these financial statements.

Signed on behalf of the Atlantic Technological University Governing Body:


Chairperson, Atlantic Technological University, Maura McNally

21/8/23
Date


President, Atlantic Technological University, Dr Orla Flynn

24/07/2023
Date

INSTITUTE OF TECHNOLOGY, SLIGO

Statement of Cash Flows Period ended 31 March 2022

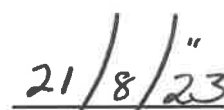
	19 mths 31/03/22 €000's	12 mths 31/08/20 €000's
Cash flows from operating activities		
Excess income over expenditure	6,088	3,171
Depreciation of fixed assets	4,495	2,980
Amortisation of deferred capital grants	(4,491)	(2,977)
(Increase)/Decrease in receivables	(4,685)	(1,705)
Increase in payables	15,664	3,043
Interest Income	(7)	(17)
Capital grants received	6,512	4,324
Research and other grants received	426	174
Net Cash Inflow from Operating Activities	24,002	8,993
Cash Flows from Investing Activities		
Payments to acquire property, plant & equipment	(6,952)	(4,499)
Net Cash Flows from Investing Activities	(6,952)	(4,499)
Cash Flows from Financing activities		
Interest Received	13	26
Net Cash Flows from Financing Activities	13	26
Net Increase in cash equivalents in the period / year	17,063	4,520
Cash & Cash Equivalents at 1 September	30,480	25,960
Cash & Cash Equivalents at 31 March 2022 / 31 August 2020	47,543	30,480

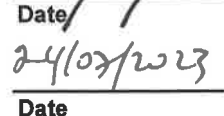
Notes 1 to 28 form part of these financial statements.

Signed on behalf of the Atlantic Technological University Governing Body:


 Chairperson, Atlantic Technological University, Maura McNally


 President, Atlantic Technological University, Dr Orla Flynn


 Date 21/8/23


 Date 24/08/2023

NOTES TO THE FINANCIAL STATEMENTS

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 year.

a. General Information

The primary objectives of the Institute are to provide third level education and other associated services.

b. Basis for 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 Institute of Technology, Sligo is considered to be Euro because that is the currency of the primary economic environment in which the Institute operates.

c. 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 tangible fixed assets, other than investment properties 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
Leased Land & Buildings	Over the term of the lease

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

From 1 September 2008, equipment costing less than €3,000 per individual item is written off to the Statement of Comprehensive Income in the period of acquisition. 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 asset in line with the policy for all other Fixed Assets or over the length of the project, depending on the requirements of the funding agreement.

d. Licencing of Intellectual Property

The Institute may enter into arrangements with third parties in relation to the licencing of Intellectual Property created at and owned by the Institute. Such agreements may include direct payment to the Institute 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.

e. Impairment of Assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Statement of Financial Position date. If there is objective evidence of impairment, an impairment loss is recognised in surplus or deficit 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.

f. Taxation

Corporation tax

As an exempt charity, the Institute is not liable for corporation tax or income tax on any of its charitable activities. It is registered for value added tax, but since the supply of education is an exempt activity on which no output tax is charged it is unable to recover input tax on the majority of its purchases. Certain research and commercial activities within the Institute fall into the VAT net, any input or output tax relating to these activities is returned to the Revenue by the Institute.

g. Recognition of income

State Grants

Recurrent state grants from the Higher Education Authority and other bodies are recognised in the period in which they are receivable. Non-Recurrent Grants from the Higher Education Authority or other 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.

Fee Income

Fee income is accounted for on an accruals basis.

Research grants and contracts

Income from research grants and contracts is matched to expenditure and is included in the income of the period in which the related expenditure has been incurred. The most common classes of such transactions are:

(i) Donations with no restrictions

Donations with no restrictions include amounts given to the Institute 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.

(ii) 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.

(iii) Research grants from non-government source

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

Minor Capital Works

The Minister for Further & Higher Education, Research, Innovation and Science introduced a scheme to devolve responsibility to the Institute for Summer and other Capital Works. In all cases Minor Capital Works funding is recognised in the period received.

Income from short-term deposits

All income from short-term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned.

h. 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. The scheme is operated on a Pay-as-You-Go basis, with superannuation deductions made from employees being retained by the Institute as an agreed part of its funding.

The Institute also operates the Single Public Services 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 Institute 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 Education Sector Superannuation Scheme 2015, are retained by the Institute 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 Department of Further and Higher Education, Research, Innovation and Science 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 Institute'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 pension are excluded because pension payments are charged to the appropriation account of the Department of Further and Higher Education, Research, Innovation and Science. 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.

i. 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.

J. Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Statement of Comprehensive Income over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

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. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

k. Deferred State Capital Grants

Deferred State capital grants represent the unamortised value of accumulated funds from State sources used for the acquisition or construction of fixed assets.

Capital Grants from the Higher Education Authority 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 charged over the life of the assets.

l. Capital Development Reserve

The capital development reserve represents funds set aside by the Institute for specified capital development purposes. Such funds arise from Student Registration Fees, non-state capital donations, banking facility fees 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 Institute'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 Institute'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 Institute'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 Institute's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

a) **Going Concern**

Institute of Technology, Sligo was dissolved at midnight on 31 March 2022 under the Technological Universities Act 2018 (TU Act). The Atlantic Technological University (the University) was established on 1 April 2022 by Ministerial Order under Section 36 of the Technological Universities Act 2018 and Statutory Instrument (56 of 2022).

Under the TU Act all land, other property, rights in or granted over land or other property, work in progress and pre-existing contractual and other rights and liabilities of Institute of Technology, Sligo transferred automatically to the University on 1 April 2022 and any reference to Institute of Technology, Sligo in any agreement or other instrument can be read as the University as of that date. As all of Institute of Technology, Sligo's functions, operations, assets and liabilities were transferred to the University, these financial statements have been prepared on a going concern basis.

b) **Property, Plant and Equipment**

Depreciation is calculated based on estimates and assumptions on the useful economic life and expected residual value of the asset.

c) **Provision for Doubtful Debts**

The Institute makes an estimate of the recoverable value of trade debtors and other debtors. The Institute 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 required is reviewed on an on-going basis.

d) **Holiday Pay Accrual**

The holiday pay accrual is calculated by reference to the 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, 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.

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued)
Period ended 31 March 2022

3 State Grants

	Allocated for Recurrent Expenditure €000's	Allocated for Capital Expenditure €000's	19 mths 31/03/22 Total €000's	Allocated for Recurrent Expenditure €000's	Allocated for Capital Expenditure €000's	12 mths 31/08/20 Total €000's
Recurrent Grant - Higher Education Authority (Note 6)	44,714	173	44,887	25,880	99	25,979
Minor Capital Works-Higher Education Authority	1,372	567	1,939	-	750	750
Capital Grant - Higher Education Authority	382	5,772	6,154	170	3,475	3,645
Covid-19 Support funding-Higher Education Authority	2,621	-	2,621	1,275	-	1,275
Total	49,089	6,512	55,601	27,325	4,324	31,649

4 Tuition Fees and Student Contribution

	As at 31/03/22 Students WTE	19 mths 31/03/22 State Funded €000's	19 mths 31/03/22 Non State Funded €000's	19 mths 31/03/22 Total €000's	As at 31/08/20 Students WTE	12 mths 31/08/20 State Funded €000's	12 mths 31/08/20 Non State Funded €000's	12 mths 31/08/20 Total €000's
Fees paid by State	2,752	3,005	-	3,005	2,844	1,810	-	1,810
Non EU Fees	168	-	1,375	1,375	158	-	933	933
Fees paid by students or on behalf of Students	202	-	1,591	1,591	204	-	844	844
Life Long Learning and other fees	3,017	2,919	14,953	17,872	2,497	1,324	7,715	9,039
Student Contribution inc repeat exam fees	-	8,254	7,109	15,363	-	5,442	4,254	9,696
Student Numbers / Net Fee Income	6,139	14,178	25,028	39,206	5,703	8,576	13,746	22,322

The Higher Education Authority paid tuition fees in the period of €3,003,197 and €2,782,833 for Springboard/ICT Skills.
SUSI paid student contribution fees in the period of €10,292,318.
Income for the 7 months ended 31/3/22 is reported based on 7/12 of actual amounts due for the 12 month period.

Student numbers are stated as whole-time equivalents, based on enrolled credits.

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued)

Period ended 31 March 2022

	19 mths 31/03/22 €000's	12 mths 31/08/20 €000's
5 Research Grants & Contracts		
Income		
State & semi state (Note 6)	16,840	3,478
European Union	5,034	2,547
Industry	133	38
Institutes of Technology Ireland	90	12
Other	161	55
Capital Expenditure	(334)	(158)
Total Income	21,924	5,972
Expenditure		
Pay Costs	5,484	2,567
Non Pay Costs	16,291	3,831
Capital Expenditure		
Total Costs	21,775	6,398
Net Outcome	149	(426)

6 Analysis of State Derived Income

Name of Grantor	Op Deferral/ (Debtor) 01/09/20 €000's	Grant Received €000's	CI Debtor/ (Deferral) 31/03/22 €000's	I&E 31/03/22 €000's
Note 3 - State Grant				
Higher Education Authority	68	44,460	359	44,887
Devolved Grant	-	3,094	(1,155)	1,939
Capital Expenditure - Higher Education Authority	545	4,867	742	6,154
Covid-19 Support funding Allocated for Capital Expenditure	(1,275)	4,356	(460)	2,621
	-	(6,512)	-	(6,512)
Total State Income	(662)	50,265	(514)	49,089

Note 4 - Tuition Fees & Student Contribution

Higher Education Authority	-	5,631	-	5,631
Student Universal Support Ireland	-	8,254	-	8,254
Mayo, Sligo and Leitrim Education and Training Board	-	293	-	293
Total State Income	-	14,178	-	14,178

Note 5 - Research & Contracts

Dept of Agriculture, Food and the Marine	(55)	20	25	(10)
Enterprise Ireland	370	2,220	(561)	2,029
Environmental Protection Agency	58	48	(5)	101
Higher Education Authority	1,813	16,823	(5,066)	13,570
The Heritage Council	11	-	(3)	8
Irish Research Council	17	327	(240)	104
Marine Institute Ireland	17	87	(52)	52
Science Foundation Ireland	156	681	(337)	500
Teagasc	4	-	(3)	1
National Forum (Teaching & Learning)	(19)	133	(31)	83
Sustainable Energy Authority of Ireland	1	709	(331)	379
Dept of Arts, Heritage, Regional, Rural & Gaeltacht Affairs	(6)	6	-	
Sligo University Hospital	5	(5)	-	
Health Service Executive	33	-	(23)	10
Royal Irish Academy		13	-	13
Research Grants & Contracts	2,405	21,062	(6,627)	16,840
Higher Education Authority	432	1,428	(900)	960
Student Support Funding (Note 7)	432	1,428	(900)	960

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued)
Period ended 31 March 2022

7 Student Support Funding

	19 mths 31/03/22	19 mths 31/03/22 Student Assistance €000's	19 mths 31/03/22 Total €000's	12 mths 31/08/20 Total €000's
Balance at 1 September 2020	108	324	432	334
Receipts				
Higher Education Authority	275	1,153	1,428	330
Amounts Applied				
Pay Costs	-	-	-	-
Non Pay Costs	(195)	(765)	(960)	(232)
Net Fee Income (Note 6)	<u>188</u>	<u>712</u>	<u>900</u>	<u>432</u>
Balance at 31 March 2022 / 31 August 2020	<u>188</u>	<u>712</u>	<u>900</u>	<u>432</u>

8 Other Income

	19 mths 31/03/22 €000's	12 mths 31/08/20 €000's
Superannuation deductions retained	2,617	1,548
Bank Concession Fee	238	150
Rental of Facilities	51	69
Sundry Income	1,034	728
	<u>3,940</u>	<u>2,495</u>

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued)
Period ended 31 March 2022

9 Staff Costs

The average number of persons (including senior post-holders) employed by the Institute during the period, expressed in full time equivalent is:

	31/03/22 No. of employees	31/08/20 No. of employees
Teaching and Research	460	388
Technical	54	51
Central Administration and Services	237	173
	<u>751</u>	<u>612</u>
	19 mths 31/03/2022 €000's	12 mths 31/08/2020 €000's
Salaries and wages	64,617	35,989
Overtime	996	390
Allowances	41	28
Social welfare costs	6,170	3,355
Employer welfare costs	170	82
	<u>71,994</u>	<u>39,844</u>

Key management compensation

For the purposes of this note, key management personnel in the Institute includes the President, members of the Executive Board and members of the Governing Body.

	31/03/22 Headcount	31/03/22 wte	31/08/20 Headcount	31/08/20 wte		
President	1	1	1	1		
Executive Management	7	7	7	7		
	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>		
	19 mths 31/03/22 €000's	19 mths 31/03/22 €000's	19 mths 31/03/22 €000's	12 mths 31/08/20 €000's	12 mths 31/08/20 €000's	12 mths 31/08/20 €000's
	Salary	Interview fees	Overtime/ allowances	Salary	Interview fees	Overtime/ allowances
Governing Body Members	-	60	-	-	12	-
President	255	-	-	158	-	-
Executive Management	1,192	-	-	698	-	-
	<u>1,447</u>	<u>60</u>	<u>-</u>	<u>856</u>	<u>12</u>	<u>-</u>

Post employment benefits of key management staff

Four members of the executive management team are members of the Institute 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 only.

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued)
Period ended 31 March 2022

9 Staff Costs - Continued

Three members of the executive management team are members of the single pension scheme. 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 President is a member of the Institute 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.

Termination payments

No termination payments were paid to any staff of the Institute.

Higher paid staff

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

Salary Bands	19 mths	12 mths
	31/03/2022	31/08/20
	No of employees	No of employees
60,000 - 70,000	59	49
70,001 - 80,000	60	63
80,001 - 90,000	96	125
90,001 - 100,000	71	26
100,001 - 110,000	10	8
110,001 - 120,000	7	1
120,001 - 130,000	-	-
130,001 - 140,000	-	-
140,001 - 150,000	-	1
150,001 - 160,000	-	1
160,001 - 170,000	1	-
170,001 - 180,000	1	-
Grand Total	305	274

The 19 month number of employees figure are based on a 12 month annual equivalent figure.

10 Other Operating Expenses

	19 mths	19 mths	19 mths	19 mths	12 mths
	31/03/22	31/03/22	31/03/22	31/03/22	31/0820
	Pay Costs	Depreciation	Other Operating	Total	Total
	€000's	€000's	Expenses	€000's	€000's
			€000's		
Academic Departments	51,117	-	5,247	56,364	31,815
Academic Services	2,809	-	2,919	5,728	3,194
Facilities	1,447	-	4,122	5,569	2,749
Central Administration	9,382	-	4,887	14,269	7,868
General Education	536	-	843	1,379	1,080
Student Services	1,158	-	1,510	2,668	1,676
Student Support Funding	4	-	956	960	232
Research Grants & Contracts	5,484	-	16,291	21,775	6,398
Other	57	-	265	322	177
Depreciation	-	4,495	-	4,495	2,980
Total Expenditure	71,994	4,495	37,040	113,529	58,169
Total 2020	39,844	2,980	15,345	58,169	

Notes to the financial statements - (continued)
Period ended 31 March 2022

10 Other Operating Expenses - continued	Note	19 mths 31/03/22 €000's	12 mths 31/08/20 €000's
Classroom materials		1,291	543
Fees payable to educational partners		2,792	1,530
Library materials		462	233
IT licencing/upgrade and maintenance		1,791	845
General Education		828	452
Student Services		1,673	669
Students Union and Clubs and Societies subvention		789	502
Grants to students funded by external bodies		125	110
Research costs		14,631	3,182
Equipment		1,682	839
Light and Heat		881	436
Security		417	233
Cleaning and waste disposal		763	310
Services and repairs		1,843	839
Rent and Rates		147	120
Water rates		76	46
Travel & subsistence - Domestic		90	266
Travel & subsistence - International		48	181
Hospitality		25	73
Training and development		690	349
Audit Fee- Internal Audit		36	29
Audit Fee- C&AG *		64	58
Consultancy costs	10a	1,364	907
Outsourced Services		435	232
Subscriptions to Sectoral Bodies		210	118
Contribution to DAC		111	-
Communication costs		214	103
Office stationery and supplies		527	294
Advertising		783	501
Staff recruitment costs		142	28
Insurance costs		488	250
Bad debt costs - Student Fees		1,609	853
Bad debt costs - Trade Debtors		13	214
Total Other Operating Expenses		37,040	15,345
		19 mths 31/03/22 €000's	12 mths 31/08/20 €000's
Other Operating Expenses include:			
Auditors Remuneration			
Audit of Institute by the C&AG		64	58

* The audit fee relating to the 19 months ended 31/3/22 is €60k (19/20 €48k)

10a Consultancy Costs	Note	19 mths 31/03/22 €000's	12 mths 31/08/20 €000's
Professional fees - Legal costs Professional fees		287	134
Professional fees - Legal costs Settlements		-	33
Professional fees - Tax and financial advisory fees		420	317
Professional fees - Public relations/marketing		68	47
Professional fees - Pensions and human resources		56	29
Professional fees - Other		533	347
		1,364	907

Tax and financial advisory fees include an amount of €309k for CUA related costs (19/20: €314k).

Other includes an amount of €205k for CUA related costs (19/20: €16k).

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued)

Period ended 31 March 2022

11 Taxation

The Institute of Technology, Sligo is exempt from Corporation Tax under a charitable status order.

12 Financial Result for the period

	19 mths 31/03/22 €000's	12 mths 31/08/20 €000's
Institute surplus for the period / year	<u>6,088</u>	<u>3,171</u>

13 Property, Plant & Equipment

	Land and buildings	Assets in course of construction	Fixtures & fittings	Computer equipment	Plant & machinery	Equipment	Motor Vehicles	Total
	€000's	€000's	€000's	€000's	€000's	€000's	€000's	€000's
Cost								
At 1 September 2020	104,793	2,484	2,201	2,709	2,610	7,002	42	121,841
Additions in period	1,405	4,561	231	153	259	329	0	6,938
Disposals in period	-	-	(4)	(6)	(191)	(25)	-	(226)
Transfers in period	2,382	(2,443)	61	-	-	-	-	-
At 31 March 2022	108,580	4,602	2,489	2,856	2,678	7,306	42	128,553
Depreciation								
At 1 September 2020	31,258	-	1,754	2,611	1,484	6,189	36	43,332
Charge for period	3,349	-	187	165	246	543	5	4,495
Eliminated on disposals	-	-	(4)	(6)	(140)	(25)	-	(175)
At 31 March 2022	34,607	-	1,937	2,770	1,590	6,707	41	47,652
Net book value								
At 31 March 2022	73,973	4,602	552	86	1,088	599	1	80,901
At 1 September 2020	73,535	2,484	447	98	1,126	813	6	78,509

There were no capital lease commitments at 31 March 2022.

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued)
Period ended 31 March 2022

13 Property, Plant & Equipment

	Land and buildings	Assets in course of construction	Fixtures & fittings	Computer equipment	Plant & machinery	Equipment	Motor Vehicles	Total
	€000's	€000's	€000's	€000's	€000's	€000's	€000's	€000's
Cost								
At 1 September 2019	104,456	-	2,074	2,460	1,751	6,555	42	117,338
Additions in year	337	2,484	127	249	859	447	0	4,503
Disposals in year	-	-	-	-	-	-	-	-
Transfer in year	-	-	-	-	-	-	-	-
At 31 August 2020	104,793	2,484	2,201	2,709	2,610	7,002	42	121,841
Depreciation								
At 1 September 2019	29,160	-	1,598	2,437	1,331	5,793	33	40,352
Charge for year	2,098	-	156	174	153	396	3	2,980
Eliminated on disposals	-	-	-	-	-	-	-	-
At 31 August 2020	31,258	-	1,754	2,611	1,484	6,189	36	43,332
Net book value								
At 31 August 2020	73,535	2,484	447	98	1,126	813	6	78,509
At 1 September 2019	75,296	-	476	23	420	762	9	76,986

There were no capital lease commitments at 31 August 2020.

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued)
Period ended 31 March 2022

14 Subsidiary Undertakings and Investments

At the period end the Institute had no interests in any subsidiaries.

At the period end the Institute held an investment in an associated company Nektr Technologies (10.39% shareholding) and was also a 34% shareholder of a Designated Activity Company (DAC) which was dormant. Further details are included in Note 22.

In the period ended 31 August 2020 the Institute held an interest in the following subsidiaries:

Subsidiary undertakings (both now liquidated)	%
Ballinode Catering and Services (Limited by guarantee) (BCS)	100%
CREDCO (Limited by guarantee)	100%
Retained Surplus (at 30th June 2017)	€000's
Ballinode Catering and Services (Limited by guarantee) (BCS)	248
CREDCO (Limited by guarantee)	55

Both of the above subsidiary undertakings had their registered office and place of business at the Institute of Technology, Sligo.

In the 2018/19 financial year the Institute began proceedings to liquidate the subsidiaries and transfer their activities to the Institute. The companies ceased trading on the 30th June 2017 and all their activities have now been transferred to the Institute. BCS was dissolved with an effective date of 23rd September 2020. CREDCO was dissolved with an effective date of 16th September 2020.

The surplus assets totaling €262k were transferred to the Institute during the 2019/20 year.

Principal Activity

BCS provided various services within the Institute of Technology, Sligo.

These services included recreational facilities, hall hire, and the provision of graduate services.

CREDCO was involved mainly in consultancy, research, the furtherance of education and provision of incubation space.

15 Receivables

	31/03/22	31/08/20
	€000's	€000's
State grant receivable	469	1,275
Capital grant receivable	2,051	524
Academic fees receivable	5,131	1,452
Provision for Academic fees	(2,035)	(872)
Research Grants and Contracts Receivable	1,697	1,009
Prepayments and Accrued Income	1,151	489
Trade Debtors	372	486
Provision for Trade Receivables	(195)	(272)
Other receivables	197	68
	8,838	4,159

16 Cash & cash equivalents

	31/03/22	31/08/20
	€000's	€000's
Cash at bank including balances held on short term deposit	47,543	30,480

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued) Period ended 31 March 2022

17 Payables: amounts falling due within one year

	31/03/22 €000's	31/08/20 €000's
State Grant in advance	-	68
Research Grants and Contracts in advance	9,656	4,088
Deferred Income Student Support Funding	903	434
Tuition fees and Student Registration Charges received in advance	9,951	1,811
Trade Payables and Accruals	4,170	3,865
PAYE	721	534
PRSI	508	385
Other payables	268	98
Accruals and Deferred Income	3,527	2,771
	<u>29,704</u>	<u>14,054</u>

18 Lease Commitments

	Land & Buildings 31/03/22 €000's	Land & Buildings 31/08/20 €000's
Operating Leases		
Total future minimum lease payments under non-cancellable operating leases are as follows:		
Within 1 Year	285	42
Between 2 & 5 Years	771	126
Over 5 Years	1,215	-
Total Commitments	<u>2,271</u>	<u>168</u>

On the 3rd August 2020, the Institute entered into a commercial letting agreement for one property for four years.
On 17th January 2022, the Institute entered into a commercial letting agreement for one property for ten years.

19 Deferred State Capital Grants

	31/03/22 €000's	31/08/20 €000's
At 1 September		
Opening Balance	78,500	76,979
Cash received in period / year		
Allocated from State recurrent grant	173	99
Higher Education Authority - Capital	6,339	4,225
Research Grants and Contracts	334	158
Other	92	16
Total	<u>6,938</u>	<u>4,498</u>
Amortised to Income and expenditure in period/ year		
Amortised in line with depreciation	(4,491)	(2,977)
Amortisation on assets disposed during the period / year	(51)	-
Adjustment for Non State Assets	-	-
Total	<u>(4,542)</u>	<u>(2,977)</u>
Adjustment to accumulated depreciation (Note 11)	-	-
At 31 March 2022 /31 August 2020		
Closing Balance	<u>80,896</u>	<u>78,500</u>

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued)
Period ended 31 March 2022

20 Capital Development Reserve

	31/03/22	31/08/20
	€000's	€000's
Opening Balance	14,600	13,588
Interest earned	-	-
Transferred from Revenue Reserves Capital Projects	13,040	1,012
	-	-
Closing Balance	<u>27,640</u>	<u>14,600</u>

21 Capital Commitments

	31/03/22	31/08/20
	€000's	€000's
Contracted for but not provided	21,828	984
Authorised but not contracted	-	26,779
	<u>21,828</u>	<u>27,763</u>

22 Related Parties

In the normal course of business the Institute may enter into contractual arrangements with undertakings in which the Institute's Governing Body members are employed or otherwise interested. The Institute has adopted procedures in accordance with the Code of Governance of Irish Institute's of Technology 2019 in relation to the disclosure of interests by members of the Board and the Institute has complied with these procedures during the period.

The Institute has an 10.39% shareholding in Nektr Technologies, a company which was formed to commercialise our A31S technology.

The Institute obtained the shareholding as part of a shareholder agreement dated 21st March 2018 and a licence agreement dated 21st March 2018 in relation to the commercialisation of A31S, a platform technology comprising three patents which have a wide range of applications in the healthcare and pharmaceutical fields.

The licence agreement is in place for the duration of the patents up to 2027 and provides for the payment to the Institute of €100,000 in one instalment, which is triggered by the conversion of the licence to an assignment.

The three inventors employed by the Institute also received 24% of the shares in Nektr Technologies as part of the agreement.

IT Sligo has maintained the A31S patents as per our 2017 Agreement and borne all the relevant maintenance costs as Nektr is focused on research and commercialisation.

The Institute has agreed that Nektr will pay their share of the patent maintenance costs (Approx. €100,000) when a major commercial event takes place which is scheduled for early 2022.

There are no loans nor other financially enforceable obligations arising for the Institute as a result of this shareholding. No dividend has been received to date from Nektr Technologies.

On the 10th September 2019 the Institute 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 owns 34% of the shares.

23 Contingent Liabilities

There are a number of ongoing legal cases at present, however in all cases either payment is not probable or the amount cannot be measured reliably.

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued)
Period ended 31 March 2022

24 CONNACHT-ULSTER ALLIANCE AND DESIGNATION AS A TECHNOLOGICAL UNIVERSITY

The CUA (strategic alliance between Galway-Mayo Institute of Technology, Letterkenny Institute of Technology and Institute of Technology Sligo) submitted an application for TU designation in May 2021, which was subsequently evaluated by an International Panel held in July 2021. On October 28th 2021, the Minister for Further and Higher Education, Research, Innovation and Science confirmed designation to function as a Technological University (TU). Atlantic Technological University was established on 1 April 2022 and will deliver education and research to meet the economic, social and cultural needs of the West/North-West region and will contribute significantly to the achievement of the outcomes outlined in the National Development Plan and Ireland 2040.

During the period in question, the main focus of the project was the preparation and implementation of Designation Day Plan to ensure Atlantic Technological University could function as a unified legal entity, compliant with all legal and statutory obligations. This included the orderly wind down of the three legacy institutions, registration of ATU with Revenue, completion of 'Cease and Rehire' process for all staff employed in legacy institutions, establishment of ATU Governing Body, preparation of all necessary documentation for inaugural meeting on April 1st, completion of ATU brand development exercise, and launch day planning.

This project has been funded directly by TUTF funded mechanism. The estimated total project cost to the end of August 2023 will be €34.95m. Between September 2020 and March 2022 the CUA allocated a total of € 23.4m to TU activities, of which €11.59m has been funded directly by the HEA, via TUTF. All funding was expended in pursuance of the project objectives and has been aligned to 8 work packages which support the key pillars.

25 Retirement Benefit Costs

(i) Staffing

Examination 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 Scheme

Institute 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 Institute.

Single Scheme

New entrant staff, employed by the Institute 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 the Department of Public Expenditure and Reform 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.

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 March 2022. On retirement, members' pensions are paid by the National Shared Services Office on behalf of the Department of Further and Higher Education, Research, Innovation and Science and those payments are charged to that Department's appropriation account. Therefore, former employees of the Institute who are in receipt of 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.

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued) Period ended 31 March 2022

25 Retirement Benefit Costs (cont'd)

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the period ended 31 March 2022 were as follows:

	31/03/22	31/08/20
Discount rate	2.25%	1.10%
Inflation rate	2.55%	1.40%
Salary increases	3.80%	2.65%
Pension increase- Superannuation scheme	3.30%	2.15%
Pension Increase- Single scheme	2.55%	1.40%

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:

	31/03/22 Years	31/08/20 Years
Male aged 65	21.8	21.7
Female aged 65	24.1	24.1

(iii) Analysis of total retirement benefit costs charged to the Statement of Comprehensive Income

	31/03/22 €000's	31/08/20 €000's
Net Current service cost	20,796	12,806
Interest on retirement benefit scheme liabilities	4,785	2,162
Employee contributions / (benefits paid)	(3,480)	(1,974)
	<u>22,101</u>	<u>12,994</u>

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

	31/03/22 €000's	31/08/20 €000's
Net retirement benefit obligation at 1 September	(237,309)	(233,853)
Net Current service costs	(17,316)	(10,832)
Interest costs	(4,785)	(2,162)
Employee contributions	(3,480)	(1,974)
Benefits paid in period	-	-
Reduction in pension liabilities arising from retirements in the year	3,442	3,393
Experience (loss)/gain on liabilities	(513)	(413)
Changes in actuarial assumptions	1,046	8,532
Net retirement benefit obligations at 31 March / 31 August	<u>(258,915)</u>	<u>(237,309)</u>
Split between:		
SPSPS	(10,908)	(5,933)
ESS	(248,007)	(231,376)
	<u>(258,915)</u>	<u>(237,309)</u>

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the financial statements - (continued) Period ended 31 March 2022

25 Retirement Benefit Costs (cont'd)

(v) Deferred funding asset for retirement benefits

The Institute is prescribed in S.I. No 581 of 2012 as a relevant authority for the purposes of the single scheme. It is the Institute'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 Institute 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 Institute 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:

	31/03/22 €000's	31/08/20 €000's
Funding recoverable in respect of current year retirement Benefit costs	<u>22,101</u>	<u>12,994</u>

The deferred funding liabilities for retirement benefit as at 31 March 2022 amounted to €258,915,000.

(vi) History of defined benefits obligations	31/03/22 €000's	31/08/20 €000's
Defined benefit obligations	259,428	237,722
Experience (losses)/gains on deferred benefit scheme liabilities	<u>(513)</u>	<u>(413)</u>
	<u>258,915</u>	<u>237,309</u>

26 Post Balance Sheet Events

The Atlantic Technological University is currently in negotiations regarding the integration of St Angela's College Sligo into operations. However this is dependent on the necessary approvals. There have been no other significant events since the balance sheet date which could have implications for these financial statements.

27 Foundations and Trusts

The Institute does not have any foundations or trusts which could have implications for these financial statements.

28 Approval of Financial Statements

The financial statements were approved by the Atlantic Technological University Governing Body on the 24th July 2023.