



Consolidated Financial Statements

for the 16-month period from 1 May 2022 to 31 August 2023

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South East Technological University

Corporate Governance Statement

Introduction

On the 1st May 2022, South East Technological University (SETU) was established under the Technological Universities Act 2018 (Section 36) and Statutory Instrument (175 of 2022) following the dissolution of Waterford Institute of Technology (WIT) and Institute of Technology Carlow (ITC). At that date all assets, rights, obligations and staff of the two Institutes were transferred to the University in accordance with the Technological Universities Act 2018 Act.

Governing Body

The Governing Body was established under the Technological Universities Act 2018 (as amended by the Higher Education Authority Act 2022). The Governing Body is accountable to the Minister for Further and Higher Education, Research, Innovation and Science and is responsible for ensuring good governance. The 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 Governing Body acts 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.

Strategic Plan, Annual Programmes and Budget

The Governing Body approved the first strategic plan of SETU in May 2023. An evaluation of actual performance by reference to the University's strategic plan will be carried out by the Governing Body over the course of the plan. The Governing Body has approved the budget of the University.

Compliance with Public Spending Code

South East Technological University confirms that it adheres 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

South East Technological University confirms that its policies and procedures in the management of capital projects are compliant with the relevant principles, requirements and guidelines of the Public Spending Code and the Capital Works Management Framework.

Corporate Governance Statement (continued)

Governing Body Meetings

During the period from 1st May 2022 to 31st August 2023 the Governing Body met on **18** separate occasions on the following dates:

| Figure 1.1 | | | |
|--|--|--|---|
| Schedule of Governing Body Meetings and Governing Body Member's Attendance (1 May 2022 to 31 Aug 2023) | | | |
| GB Members | Role | Number of Governing Body meetings attended | Number of Governing Body meetings during the 16-month period: 18 Meeting Dates: |
| Professor Patrick Prendergast | Chairperson (1.5.22) | 16/18 | 1 May 2022 3 May 2022 12 May 2022 24 May 2022 31 May 2022 14 June 2022 12 July 2022 26 July 2022 6 Sept 2022 4 October 2022 8 Nov 2022 8 Dec 2022 10 January 2023 7 February 2023 7 March 2023 4 April 2023 2 May 2023 6 June 2023 |
| Professor Veronica Campbell | President (1.5.22) | 18/18 | |
| Ms Ruth Beadle | External Minister Appointment (1.5.22) | 13/18 | |
| Mr Jim Bergin | External Minister Appointment (1.5.22) | 16/18 | |
| Mr Kevin Lewis | ETB Nominee (1.5.22) | 16/18 | |
| Mr Patrick Curtin | Student Member (12.7.2022) | 10/12 | |
| Mr Mark Dunne | Student Member (12.7.2022) | 12/12 | |
| Ms Sarah Clarke | Elected PMSS staff (4.10.22) | 9/9 | |
| Mr Claus Derenda | Elected Academic staff (4.10.22) | 7/9 | |
| Dr Kathleen Moore Walsh | Elected Academic staff (4.10.22) | 9/9 | |
| Mr Richard Lacey | Academic staff (8.11.22) | 8/8 | |
| Mr Ray Ryan | All Staff member (8.11.22) | 8/8 | |
| Ms Louise Grubb | External Member (8.11.22) | 5/8 | |
| Dr David Dempsey | External Member (8.11.22) | 8/8 | |
| Professor Marie-Christine Ho Ba Tho | External Member (8.11.22) | 4/8 | |
| Ms Pauline Oakes | External Member (8.11.22) | 7/8 | |
| Ms Cynthia Ní Mhurchú | External Member (8.12.22) | 5/7 | |
| Ms Quynh Thi Nhu Nguyen | Student Member (8.12.22) | 5/7 | |

South East Technological University can confirm that during the period the Governing Body met on one occasion (7 February 2023) without executive members or management present.

Corporate Governance Statement (continued)

South East Technological University can confirm that fees and/or expenses paid to members of the Governing Body are in accordance with guidelines from the Department of Finance.

| Figure 1.2 | | | |
|---|-----------------|-------------------------------|-------------------|
| Governing Body Expenses 1 May 2022 to 31 August 2023 | | | |
| GB Members | Expenses | Fees (Interviews etc.) | Total Paid |
| Professor Patrick Prendergast | 6,586 | - | 6,586 |
| Ms Sarah Clarke | 357 | - | 357 |
| Mr Claus Derenda | 199 | - | 199 |
| Ms Ruth Beadle | 71 | - | 71 |
| Ms Marie Christine Ho Ba Tho | 869 | - | 869 |

Risk Management

The Audit and Risk Committee (ARC) of Governing Body approves the University's risk management framework and monitors its effectiveness. ARC approves the University's Risk Management Policy and oversees the structured, periodic reviews and updates to the University Risk Register by the Executive Management Team. This review includes an assessment of the principal risks, risk rating and associated mitigations for each of the risks set out in the University Risk Register.

Audit and Risk Committee

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

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

The Chairperson of Governing Body is satisfied that the Audit and Risk Committee has discharged its role effectively and efficiently and has met the requirements with regard to frequency of meetings in this 16-month period. See figure 1.3 below for details of meetings held during the period.

Corporate Governance Statement (continued)

Other Committee Meetings

| Figure 1.3 All Governing Body Committee Meetings | | | |
|--|---|---------------------------------------|---|
| Audit & Risk Committee | | | |
| Committee | Name of Committee Members (to include External Members where appropriate) | Number of Committee meetings attended | Number of Committee meetings during the 16-month period: 4 Meeting Dates: |
| ARC | Mr Jim Bergin, Chairperson – GB external member | 4/4 | 8 December 2022 2 March 2023 11 May 2023 29 May 2023 |
| ARC | Ms Nora Widger - External member | 4/4 | |
| ARC | Ms Imelda Buckley - External member | 4/4 | |
| ARC | Ms Kathleen Holohan - External member | 4/4 | |
| ARC | Mr Kevin Lewis - Governing Body external member (7.3.23) | 1/2 | |
| ARC | Mr Sean Quigley - External member (7.3.23) | 2/2 | |

| Nominations Committee | | | |
|-----------------------|---|---------------------------------------|---|
| Committee | Name of Committee Members (to include External Members where appropriate) | Number of Committee meetings attended | Number of Committee meetings during the 16-month period: 4 Meeting Dates: |
| Noms | Professor Patrick Prendergast - Governing Body Chairperson | 6/9 | 17 June 2022 24 June 2022 8 July 2022 29 July 2022 19 Oct 2022 1 Dec 2022 28 March 2023 25 May 2023 30 Aug 2023 |
| Noms | Ms Ruth Beadle - Governing Body external member | 7/9 | |
| Noms | Mr Kevin Lewis - Governing Body external member | 7/9 | |

Corporate Governance Statement (continued)

| Figure 1.3 All Governing Body Committee Meetings (continued) | | | |
|--|--|---------------------------------------|---|
| Finance & Capital Investments Committee | | | |
| Committee | Name of Committee Members <i>(to include External Members where appropriate)</i> | Number of Committee meetings attended | Number of Committee meetings during the 16-month period: 4 Meeting Dates: |
| FCIC | Professor Patrick Prendergast - Governing Body Chairperson | 3/4 | 7 February 2023 31 March 2023 28 April 2023 26 May 2023 |
| FCIC | Professor Veronica Campbell, President | 4/4 | |
| FCIC | Dr David Dempsey - Governing Body External member | 3/4 | |
| FCIC | Ms Louise Grubb – Governing Body External member | 2/4 | |
| FCIC | Mr Ray Ryan – Governing Body Staff member | 3/4 | |
| FCIC | Mr Mark Dunne – President SETUSU Carlow | 2/4 | |
| FCIC | Dr Helen Murphy – Head of Education and Life-Long Learning | 4/4 | |
| FCIC | Dr Frances Hardiman - Head of Faculty (Engineering) | 4/4 | |
| FCIC | Ms Carol Lynch - External member | 3/4 | |
| FCIC | Mr Alan Quirke - External member | 3/3 | |
| FCIC | Mr Patrick McCormack - External member | 1/1 | |

Corporate Governance Statement (continued)

| Figure 1.3 All Governing Body Committee Meetings (continued) | | | |
|--|--|---------------------------------------|---|
| Equality, Diversity & Inclusion (EDI) Committee | | | |
| Committee | Name of Committee Members <i>(to include External Members where appropriate)</i> | Number of Committee meetings attended | Number of Committee meetings during the 16-month period: 3 Meeting Dates: |
| EDI | Ms Ruth Beadle, Chairperson – Governing Body External member | 3/3 | 21 February 2023 15 March 2023 12 June 2023 |
| EDI | Dr David Denieffe – President’s nominee | 3/3 | |
| EDI | Mr Mark Dunne – President SETU Students’ Union | 2/3 | |
| EDI | Ms Sarah Clarke – Governing Body Staff member | 2/3 | |
| EDI | Dr Allison Kenneally - Secretary | 3/3 | |
| EDI | Dr Cara Daly – Staff Member | 3/3 | |
| EDI | Ms Kelly Han – Staff Member | 2/3 | |
| EDI | Mr Paul Bennett – Staff Member | 3/3 | |
| EDI | Mr Jeremie Sandot – Staff Member | 3/3 | |
| EDI | Dr Vivian Rath - Independent External Member | 2/3 | |

South East Technological University

Corporate Governance Statement (continued)

Performance Evaluation of the Governing Body and its Committees

The Governing Body conducted a self-assessment of its own performance and the performance of its committees for the period ended 31 August 2023. The Governing Body utilised the self-assessment evaluation questionnaire contained within the SETU Interim Code of Governance for this purpose.

An external review was not carried out on the Governing Body and its committee's performance during the period 1 May 2022 to 31 August 2023. An external review will be conducted prior to May 2025

General Governance and Accountability Issues

South East Technological University can confirm that there are no governance and accountability issues that the University wish to bring to the attention of the Minister for Further & Higher Education, Research, Innovation & Science and the Higher Education Authority.

Asset Disposals

South East Technological University can confirm 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 University

South East Technological University can confirm that there were no commercially significant developments that affected the University in the period, including the establishment of subsidiaries, joint ventures and acquisitions. There are also, to the University's knowledge, no major issues likely to arise in the short to medium term that will affect the University.

During the period, the directors of WIT Sports & Social Club CLG made the decision to voluntarily wind up the company.

Summary of all Off-Balance Sheet Transactions of the University

There are no off-Balance Sheet Transactions to report.

Code of Conduct for Members and Employees

South East Technological University can confirm that a Code of Conduct for both Members and Employees is in place. This includes clear conflict of interest and ethics in public office policies. The University has in place a comprehensive and appropriate Conflict of Interest policy.

South East Technological University

Corporate Governance Statement (continued)

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

South East Technological University can confirm that the University has complied with its obligations under the Government policy on the pay of the President and all other University employees.

Please also refer to financial statement's disclosure note 9 (Staff Costs).

Statement of Compliance

South East Technological University confirms that Government Pay Guidelines are being complied with in respect of such appointees who serve on the Governing Body and the Boards of subsidiaries of the University.

Confidential Disclosure Reporting - Protected Disclosures (Amendment) Act 2022

South East Technological University confirms that procedures for Confidential Disclosure Reporting have been implemented by the University. These procedures allow workers, 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 takes place. The Confidential Disclosure Reporting in place at South East Technological University is in line with the Protected Disclosures Act 2014, as amended by the Protected Disclosures (Amendment) Act 2022.

The Governing Body also confirms that the annual report for 2022, as required under section 22(1) of the Act has been published.

There were 2 protected disclosures received from workers of South East Technological University during the period. On review of each of the matters none were deemed to be protected disclosures.

Tax Laws

South East Technological University can confirm that the University has complied with its obligations under tax law.

Please also refer to financial statements disclosure note 11 (Taxation).

Legal Disputes

A breakdown of the legal costs/settlements is included in the financial statements' disclosure note 10 (Operating Expenses). South East Technological University has no legal disputes involving other State Bodies.

South East Technological University

Corporate Governance Statement (continued)

University Subsidiaries

South East Technological University has five subsidiaries which operate for the following purposes:

| Figure 1.4 | | |
|------------------------------|-----------------------|--|
| Subsidiary name | Year of establishment | Purpose / function |
| SETU Campus Services CLG | 2001 | The company is principally engaged in the operation of college campus facilities and student services. The company has 3 trading operating units which are structured to provide campus services including student catering and student accommodation and sports. |
| ThreeD DAC | 2017 | Set up in response to a call for funding from the Regional Development fund as a designated design, development and dissemination facility for 3D Additive manufacturing (AM) set up to impart knowledge and provide training, develop standards and certification as well as product/prototype development for the manufacturing sector |
| LI4 DAC | 2020 | Set up in response to a call for funding from the Regional Development fund. The company objects include imparting knowledge and the provision of training in relation to Lean Industry 4.0 techniques, tools and practices related consultancy and research. |
| Insurtech Network Centre DAC | 2017 | Set up to provide business development services to support the creation and commercialisation of technology solutions to the global insurance services sector. The establishment was as a response to a call for funding from the Regional Development Fund. |
| National Innovation Hub DAC | 2017 | Set up to develop design processing service that enables companies to conceptualise, innovate, build and test new products & services. The establishment was as a response to a call for funding from the Regional Development Fund. |
| WIT Social & Sports Club CLG | 2000 (wound up 2023) | The company was principally engaged in the provision of college bar and restaurant services, until 1 September 2018 when restaurant services ceased. The company did not trade since the commencement of the Covid19 pandemic. The directors commenced voluntary wind up during the period. |

These subsidiaries continue to operate solely for the purpose for which they were established. They remain in full compliance with the terms and conditions of the consent under which they were established.

An appropriate Code of Governance is in place with respect of trading subsidiaries, with annual statements provided to the Governing Body and the Governing Body has received a formal report of compliance from the Chairperson of the Board of each subsidiary.

Please refer to the financial statement's disclosure note 15 (Subsidiary Undertakings and Investments) for additional detail.

Corporate Governance Statement (continued)

Intellectual Property (IP) and Conflict of Interest

- (i) The University confirms that the University has in place a single IP policy, published on its website, which reflects the National IP Management Requirements of the national IP Protocol
- (ii) The University confirms that the University has in place a single Conflict of Interest Policy, and that this is published on its website

The University confirms that the Governing Body reviews conflicts of interest on an annual basis. IP Commercialisation is reviewed in accordance with the approved Intellectual Property policy.

Gender balance, diversity and inclusion

South East Technological 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:

- SETU's Strategic Plan, Connecting for Impact, saw EDI embedded throughout the plan, with a number of key actions to further promote and mainstream EDI into university life.
- SETU Awarded an Athena Swan Legacy Logo in recognition of its work on gender equality by Athena Swan Ireland
- The continued implementation of SETU's EDI Policy and Gender Equality Action Plan, which saw SETU recognised as European Inclusive Gender Equality Champions by the European Commission in March 2023

Appointments to the Governing Body are made in accordance with the Technological Universities Act 2018 (as amended by the Higher Education Authority Act 2022.) As at 31 August 2023, the Governing Body had 8 (50%) female and 8 (50%) male members. The Governing Body therefore meets the Government target of a minimum of 40% representation of each gender in the membership.

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

Travel and Subsistence

South East Technological University confirms that Government travel policy requirements are being complied with.

| | 2023 | 2022 |
|----------------------|--------------|------------|
| | €000s | €000s |
| Domestic Travel | 859 | 227 |
| International Travel | 794 | 109 |
| Total | 1,681 | 336 |

Hospitality Expenditure

| | 2023 | 2022 |
|---|-----------|-----------|
| | €000s | €000s |
| Staff Events | 4 | 15 |
| Student Events (excluding costs associated with conferring) | 1 | 20 |
| Other External | 11 | 13 |
| Total | 16 | 48 |

Legal Costs/Settlements (Included in Consultancy Fees)

| | 2023 | 2022 |
|-------------------|------------|------------|
| | €000s | €000s |
| Professional Fees | 222 | 356 |
| Settlements | - | - |
| Total | 222 | 356 |

South East Technological University

Corporate Governance Statement (continued)

Consultancy Fees

| | 2023 | 2022 |
|---|------------|--------------|
| | €000s | €000s |
| Consultancy Fees - Legal | 222 | 356 |
| Consultancy Fees - Tax & financial advisory | 11 | 53 |
| Consultancy Fees - Public relations / marketing | 29 | 210 |
| Consultancy Fees - Pensions and human resources | 55 | 64 |
| Consultancy Fees - Other | 613 | 1,663 |
| Total | 930 | 2,346 |

Annual Report and Financial Statements

The Finance and Capital Investment Committee and the Audit and Risk Committee have reviewed and approved the Annual Report and Financial Statement and considers the Financial Statements to be a true and fair view of the University's financial performance and its financial position at the end of the year.

Governing Body Responsibilities

South East Technological University was established under the terms of the Technological Universities Act 2018 (the Act) (as amended by the Higher Education Authority Act 2022) and the Technological Universities Act 2018 (Section 36) (Appointed Day) Order 2022 (SI 175 of 2022).

Technological University Act 2018 (as amended by the Higher Education Act 2022) requires the University to keep proper and usual accounts and records of all moneys received and expended by it in such form as may be approved by the Higher Education Authority, and to submit accounts for audit to the Comptroller and Auditor General.

In preparing these Consolidated 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 University will continue in operation.
- Disclose and explain any material departures from applicable accounting standards.

The Governing Body is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the University and which enables it to ensure that the Consolidated Financial Statements comply with the Technological Universities Act 2018 (as amended by the Higher Education Authority Act 2022).

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



Chairperson: Prof. Patrick Prendergast



President: Prof. Veronica Campbell

Date: 19th December 2024

Date: 19th December 2024

Statement on System of Internal Controls

Scope of Responsibility

On the 1st May 2022, South East Technological University was established under the Technological Universities Act 2018 (Section 36) and Statutory Instrument (175 of 2022) following the dissolution of Waterford Institute of Technology and Institute of Technology Carlow. At that date all assets, rights, obligations and staff of the two Institutes were transferred to the University in accordance with the Technological Universities Act 2018 (Act).

The Governing Body of South East Technological University acknowledges the responsibility for ensuring that an effective system of internal controls 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 SETU Interim Code of Governance.

Purpose of the System of Internal Controls

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

The system of internal controls, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in South East Technological University for the sixteen months ended 31 August 2023 and up until the date of approval of the financial statements.

Annual Review of the Effectiveness of Internal Control

The Audit & Risk Committee of the Governing Body conducted an annual review of the effectiveness of the system of internal control for the period ended 31 August 2023 on 21 December 2023. The Governing Body approved this review on 16 January 2024.

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

The following breaches in internal control occurred after the reporting period and before the date of approval of the financial statements which required disclosure in the University's Statement on System of Internal Control.

1. Anomalies with cash recording and procurement detected within a University Department after the reporting period. Over a number of years Scrap metal to the value of circa €20,000 was disposed of without following University procedures. The proceeds of the disposals were retained on a petty cash basis within the Department and used to purchase small tools and equipment outside of normal procurement procedures.

The following are the actions and timelines taken by the University in order to address the breaches and/or weaknesses identified in internal control:

1. Action: Review by external services provider of asset disposal practices, and custody of associated cash proceeds. Once concluded, this review will include recommendations for implementation by the University.

Timeline: Ongoing

Statement on System of Internal Controls

2. Cyber Security incident detected in October 2024 prior to the submission of this statement. The incident has caused some operational disruption to the University.

The following are the actions and timelines taken by the University in order to address the breaches and/or weaknesses identified in internal control:

1. Action: The University has engaged an external security provider to investigate the cyber security incident. Additional investigation is being undertaken by the National Cyber Security Centre (NCSC) and the University is also working with the Garda National Cyber Crime Bureau (GNCCB). Review by external consultants as to the extent and cause of the incident has been carried out. The University is taking steps to rebuild the network and strengthen the associated security systems.

Timeline: Ongoing

Review of Statement of Internal Control

The Statement on System of Internal Control is reviewed by the Audit and Risk Committee and the Governing Body to ensure it accurately reflects the control system in operation during the reporting period.

Appropriate Control Environment

The Governing Body has taken steps to ensure an appropriate control environment is 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 SETU Interim Code of Governance.
- Ensuring the control environment includes an active Audit and Risk Committee, internal audit function and reporting to the Governing Body on financial results.
- System of academic quality framework.

Business Risks

South East Technological University has developed processes to identify, manage and evaluate business risks. This is achieved in a number of ways including:

- Developing a structure and putting resources in place (including procuring and implementing a risk management software package) to facilitate Management and the Governing Body in identifying the key activities and processes in place to manage its operations effectively.
- Adoption of a Risk Management Policy.
- Identifying key risks, risk owners and the controls to mitigate these risks.
- Developing the strategic plan while cognisant of the risk framework and risk appetite of the University.
- Implementation of an Internal Control Framework.
- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Governing Body.
- Financial reviews by the Governing Body and its committees.
- Clearly defined capital investment control guidelines.
- Structured change and merger programme which included a project plan and a dedicated risk register which was monitored frequently.

Statement on System of Internal Controls

Information Systems

South East Technological University implemented a number of Management Information Systems to provide a means of comparing actual results to targets and forecasts. These systems include:

- Financial Management – Unit4 ERP
- Human Resources and Payroll Management – CoreHR
- Travel and Expenses – CoreHR
- Student Administration – Banner
- Timetabling – Syllabus

Financial Implications of Major Business Risks

South East Technological University employs a range of actions to reduce the potential for fraudulent activity. South East Technological University's internal control 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 had a Multi-Annual Procurement Plan and there were procedures in place that are 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 Service (EPS) and the Department of Public Expenditure and Reform.

Instances of non-compliance with procurement rules and guidelines were identified and €587,358 of expenditure was incurred where the procedures employed did not comply with the guidelines. The following are the actions and timelines taken by the University in order to address the non-compliance with procurement rules and guidelines:

1. **Action:** Further use of OGP Frameworks where applicable.
Timeline: Ongoing.
2. **Action:** Provision of training to Budget Holders and those involved in the Procurement process across the University.
Timeline: Ongoing.
3. **Action:** Further integration of Procurement functions across the University.
Timeline: Ongoing

Statement on System of Internal Controls

Information Review of the Effectiveness of the Internal Control System

We confirm that South East Technological University has procedures to monitor the effectiveness of its risk management and control procedures. The Governing Body's monitoring and review of the effectiveness of the system of internal control is informed by the work of the University Executive and Management who have 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 their management letter.

During 2022/2023, South East Technological University has an outsourced internal audit function, which is in accordance with the Internal Audit Terms of Reference approved by the Governing Body and the SETU Interim Code of Governance.

Signed on behalf of the Governing Body of South East Technological University:



Chairperson: Prof. Patrick Prendergast



President: Prof. Veronica Campbell

Date: 19th December 2024

Date: 19th December 2024



Ard Reachtaire Cuntas agus Ciste **Comptroller and Auditor General**

Report for presentation to the Houses of the Oireachtas

South East Technological University

Opinion on the financial statements

I have audited the financial statements of the South East 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 of the University group at 31 August 2023 and of the income and expenditure of the University and of 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 statement 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.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

23 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.

South East Technological University

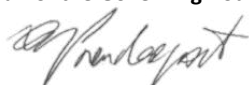
Consolidated and University Statement of Comprehensive Income For the 16 Month Period ended 31 August 2023

| | | 2023 | | 2022 | |
|---|--------|--|--|--|--|
| | Note | Consolidated 31/08/2023 16 Months €000s | University 31/08/2023 16 Months €000s | Consolidated 30/04/2022 20 Months €000s Reanalysed | University 30/04/2022 20 Months €000s Reanalysed |
| Income | | | | | |
| State Grants | 3 | 119,126 | 119,126 | 127,940 | 127,940 |
| Tuition Fees and Student Contribution | 4 | 67,811 | 67,811 | 90,093 | 90,093 |
| Research Grants & Contracts | 5 | 28,509 | 28,509 | 34,917 | 34,917 |
| Student Support Funding | 7 | 2,601 | 2,601 | 3,908 | 3,908 |
| Other Income | 8 | 21,411 | 10,971 | 22,827 | 12,836 |
| Amortisation of Deferred Capital Grants | 21 | 12,716 | 12,243 | 15,019 | 13,675 |
| Interest Income | | 205 | 205 | 30 | 30 |
| Deferred Pension Funding | 26 | 62,066 | 62,066 | 61,949 | 61,949 |
| Total Income | | 314,445 | 303,532 | 356,683 | 345,348 |
| Expenditure | | | | | |
| Staff Costs | 9 | 170,151 | 164,935 | 190,166 | 185,452 |
| Retirement Benefit Cost | 26 | 62,066 | 62,066 | 61,949 | 61,949 |
| Other Operating Expenses | 10 | 58,121 | 53,800 | 66,637 | 62,626 |
| Depreciation | 13, 14 | 14,332 | 12,783 | 16,433 | 14,358 |
| Total Expenditure | | 304,670 | 293,584 | 335,185 | 324,385 |
| Surplus/(Deficit) before transfer to Subsidiary Undertaking | | 9,775 | 9,948 | 21,498 | 20,963 |
| Transfer to Subsidiary undertaking | | - | (1,204) | - | (1,505) |
| Surplus before appropriations | | 9,775 | 8,744 | 21,498 | 19,458 |
| Transfer from Capital Development Reserve | 22 | 286 | 286 | 149 | 149 |
| Transfer to Capital Development Reserve | 22 | - | - | (18,082) | (18,082) |
| Surplus after appropriations | | 10,061 | 9,030 | 3,565 | 1,525 |
| Experience gains/(losses) on retirement benefit obligations | 26 | 7,318 | 7,318 | (17,054) | (17,054) |
| Reduction in pension liabilities arising from retirements in the period | 26 | 17,753 | 17,753 | 24,688 | 24,688 |
| Changes in assumptions underlying the present value of retirement benefit obligations | 26 | 183,243 | 183,243 | 46,417 | 46,417 |
| Total actuarial gains in the period | 26 | 208,314 | 208,314 | 54,051 | 54,051 |
| Adjustment to deferred retirement benefits funding | 26 | (208,314) | (208,314) | (54,051) | (54,051) |
| Total comprehensive income for the period | | 10,061 | 9,030 | 3,565 | 1,525 |

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

Notes 1-29 form part of these financial statements.

Signed on behalf of the Governing Body



Chairperson: Prof. Patrick Prendergast



President: Prof. Veronica Campbell

Date: 19th December 2024

Date: 19th December 2024

South East Technological University

Consolidated and University Statement of Changes in Reserves and Capital Account

Period Ended 31 August 2023


| | Note 21 Consolidated Deferred Capital Grants €000s | Note 21 University Deferred Capital Grants €000s | Note 22 Consolidated Capital Development Reserve €000s | Note 22 University Capital Development Reserve €000s | I & E Consolidated Revenue Reserves €000s | I & E University Revenue Reserves €000s | Consolidated Total €000s | University Total €000s |
|--|---|---|---|---|---|---|--------------------------------|------------------------------|
| Opening Balance at 1 May 2022 Reanalysed | 177,882 | 160,679 | 34,813 | 34,813 | 10,230 | 4,077 | 222,925 | 199,569 |
| Surplus for the year before appropriations | - | - | - | - | 9,775 | 8,744 | 9,775 | 8,744 |
| Amortisation of deferred capital grants | (12,716) | (12,243) | - | - | - | - | (12,716) | (12,243) |
| Fixed Asset Disposal | (4) | - | - | - | - | - | (4) | - |
| State grant allocated to Capital | 5,730 | 5,730 | - | - | - | - | 5,730 | 5,730 |
| State Capital Grants - Higher Education Authority | 1,758 | 1,758 | - | - | - | - | 1,758 | 1,758 |
| Other Capital Grants/Funding | 4,525 | 4,523 | - | - | - | - | 4,525 | 4,523 |
| Transfer to capital development reserve from revenue reserves | - | - | - | - | - | - | - | - |
| Transfer from capital development reserve to deferred state capital grants | 18,140 | 18,140 | (18,140) | (18,140) | - | - | - | - |
| Transfer from capital development reserve to revenue reserves | - | - | (286) | (286) | 286 | 286 | - | - |
| Movement for the Period | 17,433 | 17,908 | (18,426) | (18,426) | 10,061 | 9,030 | 9,068 | 8,512 |
| Balance at 31 August 2023 | 195,315 | 178,587 | 16,387 | 16,387 | 20,291 | 13,107 | 231,993 | 208,081 |
| | Note 21 Consolidated Deferred Capital Grants €000s | Note 21 University Deferred Capital Grants €000s | Note 22 Consolidated Capital Development Reserve €000s | Note 22 University Capital Development Reserve €000s | I & E Consolidated Revenue Reserves €000s | I & E University Revenue Reserves €000s | Consolidated Total €000s | University Total €000s |
| Opening Balance at 1 September 2020 | 175,271 | 157,134 | 22,271 | 22,271 | 7,098 | 2,552 | 204,640 | 181,957 |
| Surplus for the period before appropriations | - | - | - | - | 21,498 | 19,458 | 21,498 | 19,458 |
| Amortisation of deferred capital grants | (15,019) | (13,675) | - | - | - | - | (15,019) | (13,675) |
| Restatement of Reserves for Subsidiary Amortisation | 433 | - | - | - | (433) | - | - | - |
| State grant allocated to Capital | 5,043 | 5,066 | - | - | - | - | 5,043 | 5,066 |
| State Capital Grants - Higher Education Authority | 4,131 | 4,131 | - | - | - | - | 4,131 | 4,131 |
| Other Capital Grants/Funding | 2,632 | 2,632 | - | - | - | - | 2,632 | 2,632 |
| Transfer to capital development reserve from revenue reserves | - | - | 18,082 | 18,082 | (18,082) | (18,082) | - | - |
| Transfer from capital development reserve to deferred state capital grants | 5,391 | 5,391 | (5,391) | (5,391) | - | - | - | - |
| Transfer from capital development reserve to revenue reserves | - | - | (149) | (149) | 149 | 149 | - | - |
| Movement for the Period | 2,611 | 3,545 | 12,542 | 12,542 | 3,132 | 1,525 | 18,285 | 17,612 |
| Balance at 30 April 2022 Reanalysed | 177,882 | 160,679 | 34,813 | 34,813 | 10,230 | 4,077 | 222,925 | 199,569 |

Notes 1-29 form part of these financial statements.

Signed on behalf of the Governing Body


Chairperson: Prof. Patrick Prendergast

Date: 19th December 2024


President: Prof. Veronica Campbell

Date: 19th December 2024

South East Technological University

Consolidated and University Statement of Financial Position As at 31 August 2023

| | | 2023 | | 2022 | |
|--|------|--|--|---|---|
| | Note | Consolidated 31/08/2023 16 Months €000s | University 31/08/2023 16 Months €000s | Consolidated 30/04/2022 20 Months €000s <i>Reanalysed</i> | University 30/04/2022 20 Months €000s <i>Reanalysed</i> |
| Fixed Assets | | | | | |
| Property, Plant & Equipment | 13 | 210,865 | 180,189 | 193,285 | 162,399 |
| Heritage Assets | 14 | 4,195 | 4,195 | 4,398 | 4,398 |
| | | 215,060 | 184,384 | 197,683 | 166,797 |
| Current Assets | | | | | |
| Inventory | | 36 | - | 43 | - |
| Receivables | 16 | 15,701 | 21,154 | 17,875 | 25,335 |
| Cash and Cash Equivalents | 17 | 71,516 | 70,450 | 80,112 | 78,101 |
| | | 87,253 | 91,604 | 98,030 | 103,436 |
| Less Payables: amounts falling due within one year | 18 | (65,287) | (63,392) | (66,459) | (64,945) |
| Net Current Assets | | 21,966 | 28,212 | 31,571 | 38,491 |
| Total Assets less Current Liabilities | | 237,026 | 212,596 | 229,254 | 205,288 |
| Less Payables: amounts falling due after more than one year | 19 | (5,033) | (4,515) | (6,329) | (5,719) |
| Provision for Amounts & Charges: | | | | | |
| Retirement Benefits | | | | | |
| Retirement Benefits Obligations | 26 | (476,067) | (476,067) | (614,960) | (614,960) |
| Deferred Retirement Benefit Funding Asset | 26 | 476,067 | 476,067 | 614,960 | 614,960 |
| Total Net Assets | | 231,993 | 208,081 | 222,925 | 199,569 |
| Deferred State Capital Grants | 21 | 195,315 | 178,587 | 177,882 | 160,679 |
| Unrestricted Reserves | | | | | |
| Income & Expenditure Reserve | | 20,291 | 13,107 | 10,230 | 4,077 |
| Capital Development Reserve | 22 | 16,387 | 16,387 | 34,813 | 34,813 |
| Total | | 231,993 | 208,081 | 222,925 | 199,569 |

Notes 1-29 form part of these financial statements.

Signed on behalf of the Governing Body



Chairperson: Prof. Patrick Prendergast



President: Prof. Veronica Campbell

Date: 19th December 2024

Date: 19th December 2024

South East Technological University

Consolidated Statement of Cash Flows For the 16 Month Period ended 31 August 2023

| | 2023 Period Ended 31/08/2023 16 Months €000s | 2022 Period Ended 30/04/2022 20 Months €000s |
|--|--|--|
| Cash Flows from Operating Activities | | |
| Excess of income over expenditure | 10,061 | 3,565 |
| Depreciation of fixed assets | 14,332 | 16,433 |
| Amortisation of deferred capital grants | (12,716) | (15,019) |
| (Increase) / decrease in receivables | 2,174 | (9,115) |
| Increase / (decrease) in payables | (3,794) | 27,081 |
| Interest income | (205) | (30) |
| Capital grants received | 1,758 | 4,019 |
| Impairment of long leasehold property | 8 | 623 |
| Transfer to capital reserve account | - | 18,082 |
| Transfer from capital reserve account | (286) | (149) |
| Net Cash Inflow/(Outflow) from Operating Activities | 11,332 | 45,490 |
| Cash Flows from Investing Activities | | |
| Payments to acquire property, plant & equipment | (30,391) | (17,999) |
| Proceeds from sale of property, plant & equipment | 3 | - |
| Net Cash Flows from Investing Activities | (30,388) | (17,999) |
| Cash Flows from Financing Activities | | |
| Interest received | 205 | 30 |
| State Recurrent Grants Spent on Fixed Assets | 1,673 | 2,543 |
| Other funds spent on Fixed Assets | 8,582 | 5,206 |
| Net Cash Flows from Financing Activities | 10,460 | 7,779 |
| Net (Decrease)/Increase in Cash Equivalents in the Year | (8,596) | 35,270 |
| Cash and Cash Equivalents at 1 September | 80,112 | 44,842 |
| Cash and Cash Equivalents at 30 April/31 August | 71,516 | 80,112 |

Notes 1-29 form part of these financial statements.

Signed on behalf of the Governing Body



Chairperson: Prof. Patrick Prendergast



President: Prof. Veronica Campbell

Date: 19th December 2024

Date: 19th December 2024

South East Technological University

Notes to the Financial Statements

For the 16 Month period ended 31 August 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 been applied consistently throughout the 16-month period to the preceding year.

a. General Information

The primary objectives of the University are to provide third level education and other associated activities.

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 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 FRS102 for South East Technological University is considered to be Euro because that is the currency of the primary economic environment in which the University operates. The Financial Statements are also presented in Euro. Foreign operations are included in accordance with the policies set out below.

On 7th April 2022, the Minister for Further & Higher Education, Research, Innovation and Science signed the Technological Universities Act 2018 (Section 36) (Appointed Day) (No. 2) Order 2022, which cited that on 1st May 2022 Institute of Technology Carlow and Waterford Institute of Technology stood dissolved and, in their place, South East Technological University stood established.

On the dissolution of Institute of Technology Carlow and Waterford Institute of Technology all contracts previously vested in them were transferred to South East Technological University pursuant the TU Act. Likewise, all land and other property along with all contracts and liabilities previously vested in Institute of Technology Carlow and Waterford Institute of Technology were transferred automatically to South East Technological University. Additionally, in respect of anything commenced and not completed before the appointed day or under the authority of the dissolved body, such activities were also transferred to be carried on or completed by South East Technological University.

For comparative purposes, these financial statements include the combined amounts for Institute of Technology Carlow and Waterford Institute of Technology for their respective final periods of account (Institute of Technology Carlow – 8 months to April 2022 and 12 months to August 2021; Waterford Institute of Technology – 20 months to April 2022). Certain line items have been recategorised for consistency.

Due to the revised period for Financial Statements, Student fee income is presented on a time apportion basis.

c. Basis of Consolidation

The Group financial statements consolidate the financial statements of the University and Subsidiary accounts.

The results of the subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Where necessary, adjustments are made to the financial statements and accounts 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.

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

d. Going Concern

The financial statements are prepared on a Going Concern basis; additional information outlined in section 2 (a).

e. Property, Plant and 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.

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

(ii) Equipment

From 1 May 2022, equipment with an Invoice value less than €10,000 (previously €3,000 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) 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 on a straight-line basis 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 |
| Subsidiary Gym Equipment | 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.

f. Investment Properties

Investment properties (if any) for which fair value can be measured reliably, without undue cost or effort on an ongoing basis, are measured at fair value annually with any change recognised in the profit and loss account.

g. Heritage Assets

The University holds and maintains certain heritage assets, such as the College Street Campus and associated buildings, paintings and other artefacts of historical importance.

Heritage assets which are not held for the core purpose of teaching and research are capitalised at cost – these include the period house located on the Carriganore campus as it is part of the working infrastructure of the University and as such is capitalised in the Statement of Financial Position in line with FRS 102. Artwork purchased from 1st September 2016 onwards is capitalised in the Statement of Financial Position at original cost - prior to this date, the cost was either expensed in the year incurred or if part of a building project capitalised and depreciated in line with the particular building.

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

h. Joint Venture Undertakings

In the University financial statements, investments in associates (if any) are accounted for using the equity method. Investments in joint venture undertakings (if any) are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the University's share of the profit or loss and other comprehensive income of the associate. Goodwill arising on the acquisition of associates is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in joint venture undertakings.

In the University financial statements investments in joint venture undertakings (if any) are accounted for at cost less impairment.

i. Inventory

Inventory is stated at lower of cost and net realisable value.

j. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income 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.

k. Taxation

a. 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, 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. Where 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.

b. Deferred Taxation

In subsidiary companies, who do not hold a charitable status and are therefore liable to corporation tax, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between taxable profits and results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in period's difference from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and, therefore, recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

I. 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. 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.

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 included in the year the expenditure is incurred unless the grant has performance related conditions or restrictions associated with it. The most common classes of such transactions are set out below:

a. 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.

b. 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.

c. Research grants from non-government sources

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

Minor Capital Works

The Minister for Further and Higher Education, Research, Innovation & Science introduced a scheme to devolve responsibility to the University for summer and other minor Capital Works.

In all cases Minor Capital Works funding is matched to expenditure and included in the year the expenditure is incurred.

Income from Short-Term Deposits

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

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

m. Employee Benefits

a. 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 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, NDP Delivery and Reform (DPENDR).

Pension costs charged to expenditure in the year reflect the benefits earned by current employees during the year and are shown net of staff pension contributions which, in respect of (i) the Education Sector Superannuation Scheme 2015, are retained by the University and (ii) the Single Scheme, are remitted to DPENDR. An amount corresponding to the pension cost is recognised as income to the extent that it is recoverable.

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 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 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 year is reflected as an experience gain. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

Subsidiary staff are not part of the Public Sector scheme and each company operates its own private scheme.

b. 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.

c. Subsidiary Benefits Package

The company operates a defined contribution pension scheme for certain employees. The remuneration of a number of employees in particular positions within the subsidiary companies is based on a basic package plus performance bonus.

n. 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.

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

o. 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 term or their useful life. 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.

p. 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.

q. Reserves

Capital Development Reserve

The capital development reserve represents funds set aside by the University for specified capital development purposes. 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

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 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 value and classification of assets and liabilities that may arise if the University was unable to continue as a going concern.

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

b. 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 required is reviewed on an on-going basis.

c. 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

d. Holiday Pay

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. Establishing Lives for Property, Plant and Equipment Depreciation Purposes

Long lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets of the University. The annual depreciation charge depends on the estimated expected useful life 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 relevant category. Changes in expected useful lives can have a significant impact on depreciation charges for the period. Details of expected useful lives for all asset categories are included in Note 1.

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

3. State Grants

| | Allocated for Recurrent Expenditure €000s | 2023 Allocated for Capital Expenditure €000s | 2023 Total €000s | 2022 Total €000s <i>Reanalysed</i> |
|--|--|--|---------------------|--|
| Recurrent Grant - HEA | 100,341 | 1,673 | 102,014 | 113,021 |
| State Grant - TU Support | 6,969 | 418 | 7,387 | 5,554 |
| State Grant - Human Capital Initiatives | 5,805 | 342 | 6,147 | 4,155 |
| State Grant - Additional Places | 1,776 | - | 1,776 | 873 |
| State Grant - Student Mental Health Funding | 446 | - | 446 | 349 |
| State Grant - Additional Places CAO | 391 | - | 391 | 500 |
| State Grant - Apprentice Syllabus & Equipment | 390 | 42 | 432 | 1,031 |
| State Grant - Performance Fund | 258 | - | 258 | 33 |
| State Grant - Innovation & Transformation Fund | 213 | - | 213 | 86 |
| State Grant - ITIF and Summer Camp | 180 | - | 180 | 228 |
| State Grant - HEA NTUTORR | 367 | - | 367 | - |
| State Grant - EDI Gender Equality Enhancement | 44 | - | 44 | 18 |
| State Grant - Other | 270 | - | 270 | 303 |
| State Grant - COVID-19 Support | 397 | 1,053 | 1,450 | 5,342 |
| State Grant - COVID-19 Contingency Fund for Access Services | 190 | - | 190 | 171 |
| State Grant - COVID-19 Antigen Testing | - | - | - | 166 |
| State Grant - COVID-19 ICT Devices | - | - | - | 504 |
| State Grant - ICT Additional Places | - | - | - | 223 |
| State Grant - Capital Expenditure - HEA | - | 413 | 413 | 80 |
| Minor Capital Works - HEA Devolved Grant | 1,084 | 2,962 | 4,046 | 4,283 |
| Minor Capital Works - EEDPP Retro Fit - Pathfinder Project | 7 | 1,345 | 1,352 | 77 |
| Minor Capital Works - EPA | - | - | - | 32 |
| Total 2023 | 119,126 | 8,248 | 127,374 | 137,029 |
| Total 2022 | 127,940 | 9,089 | 137,029 | |

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

4. Tuition Fees and Student Contribution

| | 2023 | | | | 2022 | | | |
|---------------------------------------|-----------------|-----------------|------------------------|---------------|-------------------|-------------------|------------------------|-------------------|
| | Students WTE | State Funded | Non State Funded | Total | Students WTE | State Funded | Non State Funded | Total |
| | | €000s | €000s | €000s | | €000s | €000s | €000s |
| | | | | | <i>Reanalysed</i> | <i>Reanalysed</i> | <i>Reanalysed</i> | <i>Reanalysed</i> |
| EU Undergraduate Students | 8,986 | 31,763 | 16,453 | 48,216 | 9,041 | 42,234 | 22,282 | 64,516 |
| EU Postgraduate Students | 788 | 157 | 3,966 | 4,123 | 1,063 | 193 | 6,528 | 6,719 |
| Non-EU Students | 1,255 | - | 6,356 | 6,356 | 735 | - | 6,219 | 6,219 |
| Lifelong Learning and Other fees | 2,407 | 4,311 | 4,805 | 9,116 | 2,758 | 6,392 | 6,247 | 12,639 |
| Student Numbers/Net Fee Income | 13,436 | 36,231 | 31,580 | 67,811 | 13,597 | 48,819 | 41,274 | 90,093 |

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

State Funded includes fees paid by; Higher Education Authority €17.453m, SUSI €17.922m and other state €0.856m.

Included in the Higher Education Authority amount is student contribution fees of €8 million under the budget 2023 cost of living measures, amounting to €1,000 per student eligible for free fees.

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

5. Research Grants and Contracts

| | 2023 Total €000s | 2022 Total €000s <i>Reanalysed</i> |
|---|-----------------------|--|
| Income | | |
| State and Semi State | 14,652 | 15,379 |
| European Union | 14,151 | 17,898 |
| Less State capital grants received included above | <u>(3,712)</u> | <u>(2,542)</u> |
| Total State derived income | 25,091 | 30,735 |
| Industry | 1,907 | 2,119 |
| Other | <u>1,511</u> | <u>2,063</u> |
| Total Income | <u>28,509</u> | <u>34,917</u> |
| Expenditure | | |
| Pay costs | 13,802 | 18,418 |
| Transfers to Partners | 8,072 | 11,916 |
| Non-Pay Costs | 9,229 | 7,715 |
| Depreciation (Non-State Funded Assets) | <u>91</u> | <u>153</u> |
| Total Expenditure | <u>31,194</u> | <u>38,202</u> |
| | <u>(2,685)</u> | <u>(3,285)</u> |

The deficit outlined above is funded from the Recurrent Grant including the Research & Innovation top-slice.

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

6. Analysis of State Derived Income

| Name of Grantor | Opening Deferral 01/05/2022 €000s <i>Reanalysed</i> | 2023 Grant received €000s | Closing Deferral 31/08/2023 €000s | I&E 2023 €000s |
|--|---|---------------------------------|--|----------------------|
| Note 3 – State Grant | | | | |
| Recurrent Grant | (3,164) | 105,872 | (694) | 102,014 |
| TU Support | 6,835 | 5,529 | (4,977) | 7,387 |
| Human Capital Initiatives | 2,780 | 6,748 | (3,381) | 6,147 |
| Additional Places | 527 | 1,204 | 149 | 1,880 |
| Student Mental Health Funding | 481 | 861 | (897) | 445 |
| Additional Places CAO | (31) | 318 | - | 287 |
| COVID-19 Contingency Fund for Access Services | 218 | (18) | (10) | 190 |
| COVID-19 Support | 2,074 | (365) | (259) | 1,450 |
| COVID-19 Antigen Testing | 220 | (220) | - | - |
| COVID-19 ICT Devices | 26 | - | (26) | - |
| ITIF and Summer Camp | 59 | 132 | (11) | 180 |
| Performance Fund | 967 | 641 | (1,350) | 258 |
| Innovation & Transformation Fund | 134 | 79 | - | 213 |
| EDI Gender Equality Enhancement | 80 | - | (36) | 44 |
| Apprentice Syllabus & Equipment | 214 | - | (118) | 96 |
| Apprentice Equipment Programme | 402 | - | (282) | 120 |
| Apprentice Syllabus & Equipment - Geo Driller | (4) | 78 | (51) | 23 |
| Dormant Accounts Fund – Travellers in Higher Education | 44 | 17 | (18) | 43 |
| HEA NTUTORR | - | 1,235 | (868) | 367 |
| Other | (58) | 284 | 0 | 226 |
| Capital Expenditure - HEA | (21) | 418 | 16 | 413 |
| Minor Capital Works - EEDPP Retro Fit - Pathfinder Project | (77) | 269 | 1,160 | 1,352 |
| Minor Capital Works - Devolved Grant Allocated for Capital Expenditure | 2,979 | 6,920 | (5,852) | 4,047 |
| | - | (8,248) | - | (8,248) |
| Total Higher Education Authority | 14,685 | 121,754 | (17,505) | 118,934 |
| Apprentice Syllabus & Equipment - Non HEA | (73) | 169 | 96 | 192 |
| Total State Income | 14,612 | 121,923 | (17,409) | 119,126 |
| Note 4 – Tuition Fees & Student Contribution | | | | |
| Higher Education Authority | (3,643) | 21,194 | (98) | 17,453 |
| SUSI | 3,362 | 14,560 | - | 17,922 |
| Údarás | (90) | 270 | - | 180 |
| Irish Prison Service | 22 | 630 | - | 652 |
| Local Authorities | - | 24 | - | 24 |
| Total State Income | (349) | 36,678 | (98) | 36,231 |

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

Analysis of State Derived Income (continued)

| Name of Grantor | Opening Deferral 01/05/2022 €000s <i>Reanalysed</i> | 2023 Grant received €000s | Closing Deferral 31/08/2023 €000s | I&E 2023 €000s |
|--|---|---------------------------------|--|----------------------|
| Note 5 –Research Grants & Contracts | | | | |
| Teagasc | 66 | 106 | (24) | 148 |
| Enterprise Ireland | 280 | 4,872 | 1,579 | 6,731 |
| Higher Education Authority | 1,278 | 1,075 | (973) | 1,380 |
| Health Service Executive | 808 | 828 | (1,235) | 401 |
| Irish Research Council | 318 | 1,301 | (247) | 1,372 |
| Department of Agriculture and Food | (284) | 335 | 280 | 331 |
| Geological Survey Ireland | (1) | 68 | 48 | 115 |
| Sustainable Energy Authority of Ireland | 100 | 102 | 202 | 404 |
| Science Foundation Ireland | 1,633 | 2,993 | (1,536) | 3,090 |
| Kilkenny Carlow Educational Training Board | 7 | 7 | - | 14 |
| Irish Sports Council | 23 | - | (23) | - |
| Environmental Protection Agency | 29 | 2 | 1 | 32 |
| FAS | 5 | (5) | - | - |
| Faillte Ireland | (4) | - | 4 | - |
| University of Limerick | 2 | - | (2) | - |
| Bord Iascaigh Mhara | (1) | - | 1 | - |
| Marine Institute | - | 22 | (16) | 6 |
| Irish Horse Racing Board | - | 9 | 19 | 28 |
| Other State | 361 | 351 | (112) | 600 |
| Total State Income | 4,619 | 12,066 | (2,034) | 14,652 |

| | Opening Deferral 01/05/2022 €000s <i>Reanalysed</i> | 2023 Grant received €000s | Closing Deferral 31/08/2023 €000s | I&E 2023 €000s |
|--|---|---------------------------------|--|----------------------|
| Note 7 –Student Support Funding | | | | |
| Higher Education Authority | 459 | 2,572 | (406) | 2,625 |
| Allocated for Capital | - | (24) | - | (24) |
| Total State Income | 459 | 2,548 | (406) | 2,601 |

| | Opening Deferral 01/05/2022 €000s <i>Reanalysed</i> | 2023 Grant received €000s | Closing Deferral 31/08/2023 €000s | I&E 2023 €000s |
|----------------------------------|---|---------------------------------|--|----------------------|
| Note 8 –Other Income | | | | |
| HEA - Erasmus | 472 | 1,030 | (1,015) | 487 |
| HEA - National Forum | 39 | 851 | (827) | 63 |
| HEA - South East Regional Skills | (16) | 201 | 38 | 223 |
| HEA - PATH 2,3,4 &5 | 128 | 287 | (66) | 349 |
| HEA - FE - HE Pathways | - | 5 | 17 | 22 |
| SOLAS - GEO Drilling | 16 | - | - | 16 |
| SOLAS - NALA | (221) | 789 | 133 | 701 |
| Other State - NALA | - | 82 | - | 82 |
| Total State Income | 418 | 3,245 | (1,720) | 1,943 |

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

7. Student Support Funding

| | 2023 Disabilities €000s | 2023 Student Assistance €000s | 2023 Total €000s | 2022 Total €000s <i>Reanalysed</i> |
|--|-------------------------------|-------------------------------------|------------------------|--|
| Balance at 1 May 2022 / 1 September 2020 | 73 | 386 | 459 | 232 |
| Receipts | | | | |
| Higher Education Authority | 382 | 2,190 | 2,572 | 4,306 |
| Amounts Applied | | | | |
| Pay Costs | 182 | - | 182 | 351 |
| Non-Pay Costs | 249 | 2,170 | 2,419 | 3,557 |
| Total Expenditure | 431 | 2,170 | 2,601 | 3,908 |
| Capital | 24 | - | 24 | 171 |
| Balance at 31 August 2023 / 30 April 2022 | - | 406 | 406 | 459 |

8. Other Income

| | 2023 Total €000s | 2022 Total €000s <i>Reanalysed</i> |
|--|---------------------|--|
| State derived income (Note 6) | 856 | 903 |
| Project Activities – NALA, REGSA, ERASMUS (Note 6) | 1,134 | 1,464 |
| Superannuation deductions retained | 6,921 | 8,077 |
| Rental of facilities | 249 | 443 |
| Examination Income | - | 24 |
| Insurance Claims | 298 | 192 |
| Income re Non-State assets | 54 | 204 |
| Sundry income | 1,459 | 1,532 |
| Proceeds from Sale of Property Plant & Equipment | 3 | - |
| Subsidiary company income | 10,437 | 9,988 |
| Net Outcome | 21,411 | 22,827 |

9. Staff Costs

| | 2023 No. of employees | 2022 No. of employees |
|---|--------------------------|------------------------------------|
| Teaching and Research | 1,006 | 994 |
| Technical | 132 | 128 |
| Central Administration and Services | 365 | 340 |
| Ancillary Services | 145 | 92 |
| | 1,648 | 1,553 |
| | 2023 €000s | 2022 €000s <i>Reanalysed</i> |
| Salaries and Wages | 147,851 | 165,934 |
| Overtime | 387 | 353 |
| Allowances | 2,330 | 3,255 |
| Employers Welfare Costs | 14,267 | 15,910 |
| Subsidiary Companies salaries and wages | 5,216 | 4,714 |
| | 170,151 | 190,166 |

South East Technological University

Notes to the Financial Statements – (continued) For the 16 Month period ended 31 August 2023

Key management compensation

For the purposes of this note, key management personnel in the University includes the Governing Body, President and the Executive Management Team.

| | WTE | Salary €000s | Fees €000s | Employee Benefits €000s | Post- Employment Benefits €000s | Termination Benefits €000s | 2023 Total Compensation €000s | 2022 Total Compensation €000s |
|------------------------|-----------|-----------------|---------------|-------------------------------|--|----------------------------------|-------------------------------------|-------------------------------------|
| Governing Body Members | - | - | - | - | - | - | - | 92 |
| President | 1 | 228 | - | - | - | - | 228 | 546 |
| Executive Management | 19 | 3,031 | - | - | - | - | 3,031 | 3,747 |
| | 20 | 3,259 | - | - | - | - | 3,259 | 4,385 |

Post-employment benefits of key management and the President

All 19 members of the executive management team are members of the General Public Service Pension 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.

The President is a member of the General Public Service Pension Scheme and their entitlement does not extend beyond the terms of this scheme. The value of their retirement benefit earned in the period is not included in the above.

Termination payments

The University did not have any payments and agreements in excess of €10,000 in the financial year (2020: €nil).

Employee Benefits

The table below provides details of employees earning €60,000 or more in salary bands of €10,000:

| Salary Bands | | Consolidated Period Ended 31 August 2023 | University Only Period Ended 31 August 2023 | Consolidated Year Ended 30 April 2022 | University Only Period Ended 30 April 2022 |
|--------------------|----------|--|---|---|---|
| From | To | | | | |
| €60,000 | €70,000 | 168 | 164 | 122 | 117 |
| €70,001 | €80,000 | 100 | 100 | 116 | 116 |
| €80,001 | €90,000 | 109 | 108 | 135 | 134 |
| €90,001 | €100,000 | 414 | 414 | 353 | 353 |
| €100,001 | €110,000 | 65 | 65 | 27 | 27 |
| €110,001 | €120,000 | 28 | 27 | 12 | 11 |
| €120,001 | €130,000 | 10 | 10 | 6 | 6 |
| €130,001 | €140,000 | 7 | 7 | - | - |
| €140,001 | €150,000 | - | - | - | - |
| €150,001 | €160,000 | - | - | - | - |
| €160,001 | €170,000 | - | - | 2 | 2 |
| €170,001 | €180,000 | - | - | - | - |
| €180,001 | €190,000 | - | - | - | - |
| €190,001 | €200,000 | 1 | 1 | - | - |
| Grand Total | | 902 | 896 | 773 | 766 |

The Salaries in each band reflect annualised salaries earned in the 12-month Period immediately prior to the Reporting Period end dates (31 August 2023 / 30 April 2022).

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

10. Operating Expenses

Analysis of other Operating Expenditure

| | Consolidated 2023 €000s | Consolidated 2022 €000s <i>Reanalysed</i> |
|---|-------------------------------|--|
| Materials & Other Consumables | 2,349 | 2,590 |
| Light, Heat and Power | 2,660 | 3,327 |
| Repairs and Maintenance Costs | 3,413 | 3,861 |
| Equipment | 1,266 | 1,437 |
| Computer Costs | 3,467 | 3,560 |
| General Education | 2,527 | 3,154 |
| Services to Students | 4,220 | 5,185 |
| Stipends | 4,148 | 3,968 |
| Rent, Rates and Insurance Costs | 1,751 | 2,010 |
| Other Premises costs (Including Cleaning & Security) | 2,911 | 3,626 |
| Library Subs, Printed Material, Books & Periodicals | 1,267 | 1,745 |
| Printing, Stationery, Postage & Other Office Expenses | 1,111 | 1,099 |
| Recruitment, Training etc | 927 | 1,653 |
| Advertising and marketing costs | 1,662 | 1,832 |
| Subscriptions & Management Services | 1,440 | 1,543 |
| Travel, Subsistence & Hospitality | 1,697 | 384 |
| Seminar & Conference Fees | 148 | 130 |
| Consultancy & Legal Costs | 930 | 2,346 |
| Professional and other services | 1,675 | 835 |
| Audit Fee | 164 | 176 |
| Audit Fee - Internal Audit | 82 | 109 |
| Subvention to SU | 512 | 717 |
| Transfers to Project Partners | 11,321 | 14,706 |
| Bad Debt Expense | 726 | 457 |
| Other Expenses | 1,431 | 2,106 |
| Ancillary Activity Costs | 4,316 | 4,081 |
| | 58,121 | 66,637 |

Other Operating Expenses include

Auditors Remuneration

| | 2023 €000 | 2022 €000 |
|---|--------------|--------------|
| Audit of University by the C&AG | 164 | 176 |
| Internal Audit Services provided by a 3 rd Party | 82 | 109 |
| External Audit of Subsidiaries | 33 | 49 |
| Total | 279 | 334 |

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

11. Taxation

South East Technological University and SETU Campus Services CLG are exempt from Corporation Tax under a charitable status order.

WIT Sports & Social Limited has a Corporation Tax exemption by virtue of being a members' club.

ThreeD (Design Develop Disseminate) DAC is a close company within the meaning of the Taxes Consolidation Act, 1997.

Lean Industry 4.0 DAC has no liability for Corporation Tax for the year.

Insurtech Network Centre DAC has no liability for Corporation Tax for the year.

National Design Innovation Hub DAC has no liability for Corporation Tax for the year.

12. Financial Result for the year

| | 2023 | 2022 |
|--|---------------|--------------|
| | €000s | €000s |
| University surplus/(deficit) for the period | 9,030 | 1,525 |
| Surplus generated by subsidiaries and other undertakings | 1,031 | 2,040 |
| Surplus for the period | 10,061 | 3,565 |

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

13. Property, Plant and Equipment

Consolidated

| | Land & Buildings €000's | Assets in course of construction €000's | Fixtures & Fittings €000's | Computer Equipment €000's | Plant & Machinery €000's | Furniture & Equipment €000's | Total €000's |
|---|-------------------------------|--|----------------------------------|---------------------------------|--------------------------------|------------------------------------|-----------------|
| Cost | | | | | | | |
| At 1 May 2022 | 265,890 | 2,822 | 17,637 | 29,507 | 3,824 | 41,553 | 361,233 |
| Additions in period | 832 | 24,003 | 2,136 | 2,268 | 326 | 2,156 | 31,721 |
| Asset Recategorisation | - | - | (1,792) | 1,792 | - | - | - |
| Transfers from assets in course of construction | 607 | (1,359) | - | 215 | - | 537 | - |
| Disposals/write-off in period | (4) | - | - | (433) | - | (65) | (502) |
| At 31 August 2023 | 267,325 | 25,466 | 17,981 | 33,349 | 4,150 | 44,181 | 392,452 |
| Depreciation | | | | | | | |
| At 1 May 2022 | 91,265 | - | 13,168 | 26,452 | 2,971 | 34,092 | 167,948 |
| Charge for period | 6,944 | - | 930 | 2,804 | 251 | 3,200 | 14,129 |
| Asset Recategorisation | - | - | (1,792) | 722 | - | 1,070 | - |
| Eliminated on disposals/write-off | - | - | - | (433) | - | (65) | (498) |
| Impairment | - | - | 7 | - | - | 1 | 8 |
| At 31 August 2023 | 98,209 | - | 12,313 | 29,545 | 3,222 | 38,298 | 181,587 |
| Net book value | | | | | | | |
| At 31 August 2023 | 169,116 | 25,466 | 5,668 | 3,804 | 928 | 5,883 | 210,865 |
| At 1 May 2022 | 174,625 | 2,822 | 4,469 | 3,055 | 853 | 7,461 | 193,285 |

Lease commitments at 31 August 2023 amounted to €1.924m (2022 - €2.227m).

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

13. Consolidated – in respect of prior period

| | Land & Buildings €000's | Assets in course of construction €000's | Fixtures & Fittings €000's | Computer Equipment €000's | Plant & Machinery €000's | Furniture & Equipment €000's | Total €000's |
|---|-------------------------------|--|----------------------------------|---------------------------------|--------------------------------|------------------------------------|-----------------|
| Cost | | | | | | | |
| At 1 September 2020 | 253,740 | 10,032 | 15,242 | 26,244 | 3,603 | 35,172 | 344,033 |
| Additions in year | 115 | 6,402 | 1,295 | 3,662 | 307 | 6,239 | 18,020 |
| Transfers from assets in course of construction | 12,049 | (13,612) | 1,100 | - | - | 463 | - |
| Disposals in year | (14) | - | - | (399) | (86) | (321) | (820) |
| At 30 April 2022 | 265,890 | 2,822 | 17,637 | 29,507 | 3,824 | 41,553 | 361,233 |
| Depreciation | | | | | | | |
| At 1 September 2020 | 82,153 | - | 12,131 | 24,531 | 2,800 | 30,186 | 151,801 |
| Charge for year | 8,493 | - | 1,037 | 2,296 | 255 | 4,097 | 16,178 |
| Eliminated on disposals | (4) | - | - | (375) | (84) | (191) | (654) |
| Impairment | 623 | - | - | - | - | - | 623 |
| At 30 April 2022 | 91,265 | - | 13,168 | 26,452 | 2,971 | 34,092 | 167,948 |
| Net book value | | | | | | | |
| At 30 April 2022 | 174,625 | 2,822 | 4,469 | 3,055 | 853 | 7,461 | 193,285 |
| At 1 September 2020 | 171,587 | 10,032 | 3,111 | 1,713 | 803 | 4,986 | 192,232 |

Lease commitments at 30 April 2022 amounted to €2.277m (2020 - €1.857m)

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

13. Property, Plant and Equipment (continued)

University Only

| | Land & Buildings €000's | Assets in course of construction €000's | Fixtures & Fittings €000's | Computer Equipment €000's | Plant & Machinery €000's | Furniture & Equipment €000's | Total €000's |
|---|-------------------------------|--|----------------------------------|---------------------------------|--------------------------------|------------------------------------|-----------------|
| Cost | | | | | | | |
| At 1 May 2022 | 224,892 | 2,822 | 11,832 | 27,918 | 1,758 | 41,226 | 310,448 |
| Additions in period | 227 | 23,881 | 1,847 | 2,151 | 108 | 2,156 | 30,370 |
| Asset Recategorisation | - | - | (1,792) | 1,792 | - | - | - |
| Transfers from assets in course of construction | 607 | (1,359) | - | 215 | - | 537 | - |
| Disposals/write-off in period | - | - | - | (433) | - | (65) | (498) |
| At 31 August 2023 | 225,726 | 25,344 | 11,887 | 31,643 | 1,866 | 43,854 | 340,320 |
| Depreciation | | | | | | | |
| At 1 May 2022 | 79,344 | - | 8,735 | 24,966 | 1,480 | 33,524 | 148,049 |
| Charge for period | 5,913 | - | 676 | 2,722 | 69 | 3,200 | 12,580 |
| Asset Recategorisation | - | - | (1,792) | 722 | - | 1,070 | - |
| Eliminated on disposals/write-off | - | - | - | (433) | - | (65) | (498) |
| At 31 August 2023 | 85,257 | - | 7,619 | 27,977 | 1,549 | 37,729 | 160,131 |
| Net book value | | | | | | | |
| At 31 August 2023 | 140,469 | 25,344 | 4,268 | 3,666 | 317 | 6,125 | 180,189 |
| At 1 May 2022 | 145,548 | 2,822 | 3,097 | 2,952 | 240 | 7,702 | 162,399 |

Lease commitments at 31 August 2023 amounted to €1.080m (2022 - €1.558m).

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

13. Property, Plant and Equipment (continued) in respect prior year

University Only – in respect of prior period

| | Land & Buildings €000's | Assets in course of construction €000's | Fixtures & Fittings €000's | Computer Equipment €000's | Plant & Machinery €000's | Furniture & Equipment €000's | Total €000's |
|---|-------------------------------|--|----------------------------------|---------------------------------|--------------------------------|------------------------------------|-----------------|
| Cost | | | | | | | |
| At 1 September 2020 | 212,676 | 10,032 | 9,615 | 24,669 | 1,605 | 34,845 | 293,442 |
| Additions in period | 181 | 6,402 | 1,117 | 3,586 | 225 | 6,072 | 17,583 |
| Transfers from assets in course of construction | 12,049 | (13,612) | 1,100 | - | - | 463 | - |
| Disposals/write-off in period | (14) | - | - | (337) | (72) | (154) | (577) |
| At 30 April 2022 | 224,892 | 2,822 | 11,832 | 27,918 | 1,758 | 41,226 | 310,448 |
| Depreciation | | | | | | | |
| At 1 September 2020 | 72,212 | - | 8,066 | 23,105 | 1,511 | 29,619 | 134,513 |
| Charge for period | 7,136 | - | 669 | 2,198 | 41 | 4,059 | 14,103 |
| Eliminated on disposals/write-off | (4) | - | - | (337) | (72) | (154) | (567) |
| At 30 April 2022 | 79,344 | - | 8,735 | 24,966 | 1,480 | 33,524 | 148,049 |
| Net book value | | | | | | | |
| At 30 April 2022 | 145,548 | 2,822 | 3,097 | 2,952 | 278 | 7,702 | 162,399 |
| At 1 September 2020 | 140,464 | 10,032 | 1,549 | 1,564 | 94 | 5,226 | 158,929 |

Lease commitments at 30 April 2022 amounted to €1.558m (2020 - €1.834m)

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

14. Heritage assets

| | Consolidated 2023 €000s | Consolidated 2022 €000s | University 2023 €000s | University 2022 €000s |
|--------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Heritage assets (NBV) | 4,195 | 4,398 | 4,195 | 4,398 |
| At 31 August / 30 April | 4,195 | 4,398 | 4,195 | 4,398 |

Heritage assets

Heritage assets

The University has a clear duty of care for heritage assets and aims to make them available for the enjoyment and education of the public as far as is possible, commensurate with their long-term care and preservation. The highest possible standards of collection management are applied, and the assets are made available as widely as possible to facilitate all enquiries and requests for information, subject to appropriate security and data protection guidelines. For example, appointments can be made to view printed and archival library materials and the chapel on the College Street Campus is open to the public at various times during the academic year.

Period houses

It is the policy of the University to capitalise those heritage assets which constitute capital assets and are part of the working infrastructure of the University campus. As such, the period house located on the West Campus and any subsequent refurbishment expenditure are included in the Statement of Financial Position in line with FRS 102. The University's buildings are stated at cost less accumulated depreciation. Freehold buildings are depreciated over their expected useful economic life to the University of 50 years.

As at 31 August 2023, NBV associated with heritage buildings captured and capitalised on the statement of financial position since acquisition were €4.2m.

Artworks

Artwork purchased from 1st September 2016 onwards is capitalised in the statement of financial position at original cost - prior to this date, the cost was either expensed in the year incurred or if part of a building project, capitalised and depreciated in line with the particular building. The University also displays various artworks on loan and since November 2006 for example, South East Technological University has played permanent host to Pauline Bewick's Waterford Collection; these include paintings, sculptures, tapestries, sketches and wall hangings from her renowned Seven Ages Collection. Where artwork has been received on temporary loan, there is no impact on the financial statements.

Other paintings and artefacts

Additional assets and collections belonging to the University have not been capitalised as these are, in effect, inalienable, held in perpetuity, and are most irreplaceable; the University holds over 3,000 books as part of the Christchurch Cathedral collection for example. They are neither disposed of for financial gain nor encumbered in any manner. There were very few transactions across collections during the periods. In the University's view, the value of these transactions is not material and obtaining a current valuation would involve disproportionate cost.

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

| | Buildings €000s | Other Paintings €000s | Artworks €000s | Total €000s |
|--|--------------------|--------------------------|-------------------|----------------|
| Cost | | | | |
| At 1 May 2022 | 7,641 | - | - | 7,641 |
| Additions | - | - | - | - |
| At 31 August 2023 | 7,641 | - | - | 7,641 |
| Depreciation | | | | |
| At 1 May 2022 | 3,243 | - | - | 3,243 |
| Charge for the period | 203 | - | - | 203 |
| At 31 August 2023 | 3,446 | - | - | 3,446 |
| Net book value as at 31 August 2023 | 4,195 | - | - | 4,195 |
| Net book value as at 30 April 2022 | 4,398 | - | - | 4,398 |

| | 2018 €000s | 2019 €000s | 2020 €000s | 2022 €000s | 2023 €000s |
|--|---------------|---------------|---------------|---------------|---------------|
| Cost | | | | | |
| At 1 September | 7,641 | 7,641 | 7,641 | 7,641 | 7,641 |
| Additions | | | | | |
| - Purchases | - | - | - | - | - |
| - Refurbishment | - | - | - | - | - |
| Cost at 30 April/31 August | 7,641 | 7,641 | 7,641 | 7,641 | 7,641 |
| Valuation of other paintings and artefacts | - | - | - | - | - |
| Total at 30 April/31 August | 7,641 | 7,641 | 7,641 | 7,641 | 7,641 |

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

15. Subsidiary Undertakings and Investments

Subsidiary Undertakings: The University holds an interest in the following subsidiaries (100% wholly owned):

- **SETU Campus Services CLG** (formerly WIT Diverse Campus Services).

SETU Campus Services was incorporated on 21 November 2001 as a company limited by guarantee and not having a share capital. It is principally engaged in the operation of college campus facilities and student services.

| | 2023 | 2022 |
|---------------------------------|--------|--------|
| | €'000 | €'000 |
| Surplus / (Loss) for the period | 351 | 748 |
| Net Assets / (Liabilities) | 23,930 | 23,579 |

- **WIT Sports & Social Club Limited**

WIT Sports & Social Club Limited was incorporated on 29 March 2000 as a company limited by guarantee and not having a share capital. The company is principally engaged in the provision of college bar and restaurant services, until 1 September 2018 when restaurant services ceased.

During the financial year ended 30 June 2003, SETU Campus Services CLG (formerly WIT Diverse Campus Services Limited) provided a loan of €1.9 million to WIT Sports and Social CLG to undertake alterations and the fit out of the Dome Bar on the Cork Road Campus. The common directors of both companies actively monitored and implemented measures to increase the financial efficiency and capacity of the companies in the delivery of services to students over the intervening years.

Repayments of the loan were made up to 2020, at which stage the value of the loan due to SETU Campus Services CLG had reduced to €800k. In 2020 the status of the loan underwent a review in light of changing student trends and changing attitudes to the on-campus sales of alcohol, both of which had contributed to a reduction in footfall and income attributable to the bar.

The onset of Covid-19 in March 2020 further impacted the commercial operations of the bar for a sustained period during consecutive lockdowns and periods of curtailed activity.

Management and the Board of Directors of WIT Sports and Social CLG examined the viability of reopening the bar once normal activity was allowed resume. Given the changing consumer patterns, it was considered necessary that a significant investment in the facility would be required. Management and the Board determined that given the financial performance in recent years and the commercial challenges of operating a bar on campus, a return on such investment was not certain and did not fall within their risk appetite. After careful deliberation, the Board made the informed decision to permanently cease the activity.

In view of the decision by WIT Sports and Social CLG, the Board of SETU Campus Services CLG considered the prospect of recovering its loan to WIT Sports and Social CLG and determined it prudent to provide for the loan in full. Subsequently, the Board considered legal advice received regarding the loan and decided that to meet one of its main objectives, as set out in the company's constitution, being '...promoting services and facilities on and off the campus of Waterford Institute of Technology...', the loan should be written off. This enabled WIT Sports and Social CLG to be dissolved and the loan write-off was recorded as an exceptional item in the August 2022 WIT Sports and Social CLG financial statements. The total impact of the loan write-off was nil within the consolidated 20-month period. The impairment loss of the fixed assets of WIT Sports and Social CLG when dissolved totalled €623k and is included in the consolidated accounts. See Note 13.

The premises formally used by WIT Sports and Social CLG was returned for use to the university and has undergone a deep retrofit at the cost of €2m. The premises will be used to support student and administrative services including admissions and counselling along with an additional allocation of space for use by Clubs & Societies and the Students Union. The premises became operational in Quarter 1 2024.

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

Subsidiary Undertakings (continued):

- **ThreeD DAC**

ThreeD DAC commenced activities in August 2018. The principal activity of the company is to impart knowledge and provide training on additive manufacturing techniques and design rules, to develop standards for independent testing and validation of additive manufacturing parts, to provide assistance to product and prototype development and to provide Metal additive manufacturing exposure to SETU graduate and Springboard students.

| | 2023 | 2022 |
|---------------------------------|-------|-------|
| | €'000 | €'000 |
| Surplus / (Loss) for the period | (21) | (105) |
| Net Assets / (Liabilities) | (267) | (243) |

- **LI4 DAC**

LEAN INDUSTRY 4.0 Designated Activity Company (LI4) was established on 06 August 2020. LI4 is a state-of-the-art Lean Industry 4.0 facility that offers a unique environment for manufacturing and service SMEs to receive training on Lean Industry 4.0 technologies and to apply lean excellence through the use of technology, analytics and simulation across operation and business processes to boost productivity.

| | 2023 | 2022 |
|---------------------------------|-------|-------|
| | €'000 | €'000 |
| Surplus / (Loss) for the period | (21) | - |
| Net Assets / (Liabilities) | (21) | - |

- **Insurtech Network Centre DAC**

Insurtech Network Centre DAC was established on 04 August 2017. The principal activity is to provide business development services to support the creation and commercialisation of technology solutions to the global insurance services sector.

| | 2023 | 2022 |
|---------------------------------|-------|-------|
| | €'000 | €'000 |
| Surplus / (Loss) for the period | - | - |
| Net Assets / (Liabilities) | 5 | 5 |

- **National Design Innovation Hub DAC**

National Design Innovation Hub DAC was established on 25 September 2017. The principal is the development of a design processing service that enables companies to conceptualise, innovate, build and test new products and services.

| | 2023 | 2022 |
|---------------------------------|-------|-------|
| | €'000 | €'000 |
| Surplus / (Loss) for the period | 11 | (6) |
| Net Assets / (Liabilities) | 1 | (10) |

Transfer to Subsidiary undertaking

The Transfer to subsidiary undertaking total in the Consolidated and University Statement of Comprehensive Income represents loan repayments.

Please refer to the Corporate Governance Statement section "University subsidiaries" for additional detail.

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

Interests in Spinout Companies: The University held the following interests in Spinout Companies:

| | |
|--------------|---|
| Name: | Headway Software Technologies Limited. |
| Interest in: | 4,500 Ordinary Shares of €0.01 each (4.29% of company's full diluted share capital). |
| Type of: | Headway develops and sells software development tools. |
| Registered: | Coxtown, Dunmore East, Co Waterford. |
| Note: | Acquired by Sonar in Q2 2024. |
| Name: | Nutralgae. |
| Interest in: | 117 fully paid ordinary shares of €1.00 each (13.13% ordinary shares). |
| Type of: | Nutralgae aims to develop lutein derived from algae production. |
| Registered: | 7 Durands Court, Parnell Street, Waterford. |
| Note: | Dissolved on 16 th January 2023. |
| Name: | Kodacall. |
| Interest in: | 12 ordinary shares of €1.00 each (12% of company's fully diluted share capital). |
| Type of: | Web platform for mobiles, laptops and desktops enables voice, video and instantaneous collaboration using your web browser by default to deliver communications in real time. |
| Registered: | 103 Avondale Road, Killiney, Co. Dublin. |
| Name: | Supplement Certified. |
| Interest in: | 120 ordinary shares of €0.01 each (12% of company's fully diluted share capital). |
| Type of: | Verification of supplement products. |
| Registered: | Carriganore House, Waterford, X91 K236. |
| Name: | Liquidedge. |
| Interest in: | 13,636 ordinary shares of €0.001 each (10.74% of company's fully diluted share capital). |
| Type of: | Wifi venue services. |
| Registered: | 18 Mount Suir, Gracedieu, Waterford. |
| Name: | MetriLED Ltd. |
| Interest in: | 1,200 Ordinary Shares of €0.01 each (12% of company's full diluted share capital). |
| Type of: | Software related to the development of lighting systems. |
| Registered: | 266 Larchville, Waterford. |
| Name: | Ocudel Ltd. |
| Interest in: | 12 Ordinary Shares of €1 each (11.1% of company's full diluted share capital). |
| Type of: | Eye Drop formulation for animal health. |
| Registered: | c/o Beechwood Secretarial Services Ltd., 7-8 Wilton Tce, Dublin 2. |
| Name: | BioEnz Ltd. |
| Interest in: | 12 Ordinary Shares of €1 each (12% of company's full diluted share capital). |
| Type of: | Cell & enzyme discovery and provision. |
| Registered: | 23 Chapelgate, Kilmacow, Co. Kilkenny. |
| Name: | Talam Biotech Ltd (formerly Microgen Biotech Ltd). |
| Interest in: | 2,479 Class A Common Shares (0.51% of company's full diluted share capital). |
| Type of: | Research & experimental development on Sciences and Engineering. |
| Registered: | Nova UCD, Belfield, Dublin, D04 V2P1. |

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

16. Receivables

| | Consolidated 2023 €000s | Consolidated 2022 €000s | University 2023 €000s | University 2022 €000s |
|--|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Trade Receivables | 2,194 | 701 | 1,471 | 648 |
| Research grants and contracts receivable | 8,111 | 6,948 | 8,111 | 6,948 |
| State grant receivable | 2,026 | 3,406 | 2,026 | 3,406 |
| Academic fees receivable | 957 | 3,157 | 957 | 3,157 |
| Provision for bad debts | (716) | (394) | (961) | (374) |
| Loan to SETU Campus Services | - | - | 5,418 | 6,622 |
| Cash advances to Subsidiary Companies | - | - | 1,666 | 1,608 |
| Prepayments and accrued income | 2,510 | 2,658 | 2,042 | 2,351 |
| Other receivables | 619 | 1,399 | 424 | 969 |
| Total Receivables | 15,701 | 17,875 | 21,154 | 25,335 |

The total regarding Cash advances to Subsidiary Companies relates to advances to ThreeD DAC (€552k), LI4 DAC (€192K), SETU Campus Services (€710k), NDIH DAC (€207k) and Insurtech DAC (€5k). Please see Note 18 re details on Loan to SETU Campus Services.

17. Cash and Cash Equivalents

| | Consolidated 2023 €000s | Consolidated 2022 €000s | University 2023 €000s | University 2022 €000s |
|--|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Cash at bank including balances held on Short Term Deposit | 71,516 | 80,112 | 70,450 | 78,101 |
| | 71,516 | 80,112 | 70,450 | 78,101 |

18. Payables: Amounts falling due within one year

| | Consolidated 2023 €000s | Consolidated 2022 €000s | University 2023 €000s | University 2022 €000s |
|--|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Trade payables | 1,759 | 1,376 | 1,416 | 997 |
| Research grants and contracts in advance | 18,859 | 16,860 | 18,859 | 16,860 |
| Tuition fees received in advance | 4,969 | 15,316 | 4,969 | 15,316 |
| State grants received in advance | 19,439 | 18,017 | 19,439 | 18,017 |
| Accruals | 9,073 | 5,789 | 8,563 | 5,571 |
| Other tax and social security | 4,250 | 3,424 | 4,101 | 3,347 |
| Other payables | 3,923 | 3,864 | 3,137 | 3,191 |
| Deferred Income Student Support Funding | 282 | 335 | 282 | 335 |
| Other amounts received in advance | 1,723 | 468 | 1,723 | 408 |
| Loan from Department of Further and Higher Education, Research, Innovation and Science | 903 | 903 | 903 | 903 |
| Other Loans | 94 | 100 | - | - |
| Leases (Note 20) | 13 | 7 | - | - |
| | 65,287 | 66,459 | 63,392 | 64,945 |

The loan from the Department of Further and Higher Education, Research, Innovation and Science arose from a recommendation included in the report following a statutory inspection (Mr. Dermot Quigley) on the relationship between WIT and the companies providing campus services to it; the loan, which totals €12.1m, is repayable over a period of fifteen years and is interest free. The purpose of the loan was to complete the purchase of the Manor Village Student Accommodation and to complete the construction of the SETU Arena (Sports Complex at Carriganore). The loan drawdown commenced in February 2014 and closing balance as at 31 August 2023 was €5.418m (2022 - €6.622m) – this included repayments totalling €1.204m (2020 - €1.505m) during the period.

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

19. Payables: Amounts falling due after more than one year

| | Consolidated 2023 €000s | Consolidated 2022 €000s | University 2023 €000s | University 2022 €000s |
|--|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Loan from Department of Further and Higher Education, Research, Innovation and Science | 4,515 | 5,719 | 4,515 | 5,719 |
| Other Loans | 96 | 194 | - | - |
| Other Payables | 378 | 416 | - | - |
| Other Lease obligations | 44 | - | - | - |
| | 5,033 | 6,329 | 4,515 | 5,719 |

The loan from the Department of Further and Higher Education, Research, Innovation and Science arose from a recommendation included in the report following a statutory inspection (Mr. Dermot Quigley) on the relationship between WIT and the companies providing campus services to it; the loan, which totals €12.1m, is repayable over a period of fifteen years and is interest free. The purpose of the loan was to complete the purchase of the Manor Village Student Accommodation and to complete the construction of the SETU Arena (Sports Complex at Carriganore). The loan drawdown commenced in February 2014 and closing balance as at 31 August 2023 was €5.418m (2022 - €6.622m) – this included repayments totalling €1.204m (2020 - €1.505M) during the period.

20. Lease Commitments

| | Land & Buildings 2023 €000s | Land & Buildings 2022 €000s | Other 2023 €000s | Other 2022 €000s |
|--|--------------------------------------|--------------------------------------|------------------------|------------------------|
| Operating Leases | | | | |
| Total future minimum lease payments under non-cancellable operating leases are as follows: | | | | |
| Repayable within one year | 236 | 189 | - | - |
| Repayable between two to five years | 624 | 722 | - | - |
| Repayable after more than five years | 589 | 629 | - | - |
| Finance Leases | | | | |
| Repayable within one year | - | - | 222 | 216 |
| Repayable between two to five years | - | - | 253 | 471 |
| Repayable after more than five years | - | - | - | - |
| Total Commitments | 1,449 | 1,540 | 475 | 687 |

Lease Income

The University tenders for the provision of on-site catering services in Carlow and Wexford. The contract is offered on a three-year basis with the possibility of two 12-month extensions. The current arrangement was entered into on 26th October 2019 and ceased on 24th September 2023. The payments are based on a percentage of the annual catering sales received by the caterer.

| | Other 2023 €000s | Other 2022 €000s |
|--|------------------------|------------------------|
| Operating Leases | | |
| Total future minimum lease payments under non-cancellable operating leases are as follows: | | |
| Repayable within one year | 9 | 117 |
| Repayable between two to five years | - | 12 |
| Total Commitments | 9 | 129 |

South East Technological University

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

21. Deferred State Capital Grants

| | Consolidated 2023 €000s | Consolidated 2022 €000s <i>Reanalysed</i> | University 2023 €000s | University 2022 €000s <i>Reanalysed</i> |
|---|-------------------------------|--|-----------------------------|--|
| Opening Balance | 177,882 | 175,271 | 160,679 | 157,134 |
| State Capital Grants received in year | | | | |
| Allocated from State recurrent grant | 1,673 | 2,209 | 1,673 | 2,232 |
| State Capital Grants – HEA & Enterprise Ireland | 1,758 | 4,131 | 1,758 | 4,131 |
| State Grant - HEA Covid Support | 1,053 | 558 | 1,053 | 558 |
| State Grant - Apprentice Syllabus | 42 | 94 | 42 | 94 |
| State grant for Minor Capital Works - DFHERIS | 2,962 | 2,182 | 2,962 | 2,182 |
| Funded from capital development reserve | 18,140 | 5,391 | 18,140 | 5,391 |
| Other capital grants/funding | 4,525 | 2,632 | 4,523 | 2,632 |
| Fixed Asset Disposal | (4) | - | - | - |
| Total | 30,149 | 17,197 | 30,151 | 17,220 |
| Amortised to Income and Expenditure in year | | | | |
| Amortised in line with Depreciation | (12,243) | (13,677) | (12,243) | (13,675) |
| Subsidiary company fixed assets - depreciation | (473) | (1,342) | - | - |
| Restatement of Reserves for Subsidiary Amortisation | - | 433 | - | - |
| Total | (12,716) | (14,586) | (12,243) | (13,675) |
| Closing Balance | 195,315 | 177,882 | 178,587 | 160,679 |

22. Capital Development Reserve

| | Consolidated 2023 €000s | Consolidated 2022 €000s | University 2023 €000s | University 2022 €000s |
|--|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Opening Balance | 34,813 | 22,271 | 34,813 | 22,271 |
| Donations, Bank Rental Income and Interest | - | 13 | - | 13 |
| Transfer from Student Fees | - | 424 | - | 424 |
| Transfer from Recurrent Grant | - | 12,263 | - | 12,263 |
| Self-financing Activities | - | 5,382 | - | 5,382 |
| Capital Projects – State | (18,140) | (5,391) | (18,140) | (5,391) |
| Capital Projects - State Release to Revenue Reserves | (76) | - | (76) | - |
| Capital Projects – Non-State | (210) | (149) | (210) | (149) |
| Closing Balance | 16,387 | 34,813 | 16,387 | 34,813 |

23. Capital Commitments

| | Consolidated 2023 €000s | Consolidated 2022 €000s | University 2023 €000s | University 2022 €000s |
|---------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Contracted for but not provided | 10,799 | 19,693 | 10,519 | 19,693 |
| Authorised but not contracted | 1,685 | 1,380 | 1,616 | 1,380 |
| | 12,484 | 21,073 | 12,135 | 21,073 |

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

24. Related Parties

Disclosure of Interests

In the normal course of business, the University may enter into 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 Code of Governance of Irish Technological Universities in relation to the disclosure of interests by members of the Governing Body and the University has complied with these procedures during the year.

During the period, the University purchased a property from the representatives of the estate of the parents of a staff member. Three independent valuations were received in advance of the purchase. The process was overseen by the Finance and Capital Investment Committee and approved by both the Finance and Capital investment Committee and the Governing Body. In accordance with the Technological University Act 2018 the purchase was also approved by the Higher Education Authority and the Minister for Further and Higher Education, Research, Innovation and Science. The property is currently in use for student accommodation.

25. Contingent Liabilities

There were no contingent liabilities existing at 31 August 2023.

26. 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

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.

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 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.

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

26. Retirement Benefit Costs (continued)

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 Department of Further and Higher Education, Research, Innovation and Science and the 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 the liability arising from members who retired during the year is reflected as an experience gain and is separately identified in the liability.

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

| | 31 August 2023 | Reclassified 30 April 2022 |
|-------------------|----------------|-------------------------------|
| Discount Rate | 4.2% | 2.75%/2.8% |
| Inflation Rate | 2.6% | 2.8% |
| Salary Increases | 3.85% | 4.05% |
| Pension Increases | 3.35%/2.6% | 3.55%/2.8% |

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 August 2023 Years | 30 April 2022 Years |
|----------------|-------------------------|------------------------|
| Male aged 65 | 21.8 | 21.8 |
| Female aged 65 | 24.1 | 24.1 |

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

| | 16 months ending 31 August 2023 €000s | 20 months ending 30 April 2022 €000s |
|---|---|--|
| Current service cost | 46,585 | 57,500 |
| Interest on retirement benefit scheme liabilities | 22,836 | 12,876 |
| Employee contributions/(benefits paid) | (7,355) | (8,427) |
| Past Service Gain / (Cost) | - | - |
| | 62,066 | 61,949 |

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

26. Retirement Benefit Costs (continued)

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

| | 16 months ending 31 August 2023 €000s | 20 months ending 30 April 2022 €000s |
|---|---|--|
| Net retirement benefit obligation at beginning of period | 614,960 | 598,635 |
| Current service costs | 46,585 | 57,500 |
| Interest costs | 22,836 | 12,876 |
| Past Service Gain / (Cost) | - | - |
| Employee Contributions | - | - |
| Reduction in pension liabilities arising from retirements in the period | (17,753) | (24,688) |
| Experience loss/(gain) on liabilities | (7,318) | 17,054 |
| Change in actuarial assumptions | (183,243) | (46,417) |
| Net retirement benefit obligations at end of period | 476,067 | 614,960 |
| Split between | | |
| Single Public Service Pension Scheme (SPSPS) | 18,578 | 17,352 |
| Educational Sector Superannuation Scheme (ESSS) | 457,489 | 597,608 |
| | 476,067 | 614,960 |

(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:

| | 16 months ending 31 August 2023 €000s | 20 months ending 30 April 2022 €000s |
|---|---|--|
| Funding recoverable in respect of current period retirement | | |
| Benefit costs | 62,066 | 61,949 |
| Benefits paid in period | - | - |
| | 62,066 | 61,949 |

(vi) History of defined benefits obligations

| | 16 months ending 31 August 2023 €000s | 20 months ending 30 April 2022 €000s |
|-----------------------------|---|--|
| Defined benefit obligations | 476,067 | 614,960 |

Notes to the Financial Statements – (continued)

For the 16 Month period ended 31 August 2023

27. Events after the Reporting Period

There were no significant events since the Statement of Financial Position date which could have implications for these financial statements.

As noted in the Statement on System of Internal Controls, a Cyber Security incident occurred in October 2024, prior to the submission of this statement. The incident has caused some operational disruption to the University. Actions as outlined in the Statement on System of Internal Controls are ongoing to address the matter.

28. Foundations and Trusts

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

29. Approval of Financial Statements

The Financial Statements were approved by the Governing Body on 19th December 2024.