

**University College Cork
National University of Ireland, Cork**

**University College Cork
National University of Ireland, Cork
Consolidated Financial Statements
Year Ended 30 September 2019**

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HONORARY TREASURER'S REPORT

ON CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 30 SEPTEMBER 2019

Format of Accounts – Explanatory Note

In 2016, the University, in line with the rest of the Higher Education sector adopted Financial Reporting Standard 102 (FRS 102) for the preparation of its statutory financial statements. In addition, the Statement of Recommended Practice (SORP) – Accounting for further and higher education as issued by the Further Education / Higher Education SORP Board in the UK has been adopted by the sector.

A key change with FRS102 relates to income recognition and the treatment of deferred capital grants, with the potential for future volatility in overall University performance.

In addition, the University continues to prepare a set of financial statements for the Higher Education Authority (HEA), which are prepared on the harmonised basis approved by the HEA. The HEA Funding Statements are appended to the consolidated statutory accounts together with a reconciliation between both formats.

The 2019 consolidated GAAP financial statements of UCC include the activities of the University and all its subsidiary undertakings. These financial statements also include the statement of comprehensive income and statement of financial position of the University College Cork Trust Fund, which is also fully consolidated. The University continues to receive much welcome philanthropic support from Cork University Foundation DAC. Whilst all transactions that took place between UCC and CUF are reflected in the financial statements, the financial statements for CUF itself are not consolidated. They are however appended to the formal UCC financial statements. CUF will be consolidated into the group results from year ended 30th September 2020 onwards.

Highlights of the Financial Year

The main highlight in 2018/19 from a financial perspective was the drawdown of the third tranche of funding from the EIB, €50m, bringing the total amount drawn down at the year-end to €100m. This funding has enabled the University to significantly increase and enhance its infrastructure and estate.

Significant capital expenditure was incurred during the year. The two major items of expenditure relate to the acquisition of a substantial site in Cork City Centre on which the Cork University Business School will be developed and the expenditure on the Student Hub which is now complete and fully operational.

Statement of Comprehensive Income

Total Income for the year increased by €15.3m to €432.9m. This generated an Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA) of €11.2m, a decrease of €2.7m on 2018 performance. Post EBITDA, the net outturn for the year was a deficit of €5.6m.

Exchequer revenue streams continue to decline as a proportion of overall income while State grants increased to 13.4% of total income. This trend is expected to continue in the absence of certainty around the future funding model for the sector.

To compensate, the University continues to diversify and grow non-exchequer income sources. The University continues to focus on improving this position to ensure it generates sufficient resources for long-term sustainability.

Income

Student fees increased in 2018/19 due to the continued growth in student numbers attending the University and the consequent increase in the amount of fees received.

Of the €147.3m of academic fees, a total of €45.4m was paid by the Higher Education Authority on behalf of EU Under-Graduate students; this amount was in line with the HEA contribution from the previous year. The remaining €101.9m was generated by the University from higher international student numbers at both Under Graduate and Post Graduate levels. These self-generated fees were €4.9m/5% higher than the prior year outturn, reflecting the University's continued priority to generate its own resources to secure financial sustainability.

Research activity delivered €99m of income in the year, an increase of €4.3m from 2017/18.

A further €0.8m of non -exchequer generated income was transferred to the Pension Control account as UCC's 2018/19 contribution, reflecting the Pension Added Years agreement of October 2016. Pension costs for 2019 include a charge of the same amount.

HONORARY TREASURER'S REPORT

ON CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 30 SEPTEMBER 2019

Other operating income at €60.7m includes a full year of the IMI income of €16.5m with the remaining subsidiaries generating turnover of €15.3m.

Expenditure

As student numbers continue to grow, there was a corresponding increase in staff numbers to ensure Staff Student Ratios are not further compromised and to meet the minimum staffing requirements of professional accreditation bodies. This increase in staff numbers together with nationally agreed pay restoration, and the cost of annual increments all contributed to the 7.5% increase in Pay Costs in 2018/19, for both funded and non-funded staff.

Other operating expenses are €7.7m/8.4% higher than the previous year. This was mainly from increases in research activity with a corresponding lift in research income. Other factors were necessary campus maintenance and general operating cost inflation.

Statement of Financial Position

Fixed assets

The increase in Land and Buildings during 2018/19 reflects in the main the site purchase in the Trinity Quarter Cork City, where the proposed new building for the Cork University Business School will be located. There was also significant expenditure in 2019 on the Student Hub building project and on the Crow's Nest student accommodation project. The cost of equipment, primarily research related, capitalised during 2018/19 was €5.7m. There were €4.8m of disposals this year relating to fully depreciated and obsolete equipment. The depreciation charge for the year was €23.6m.

Investments

The investments relate to the investments held by the University College Cork Trust Fund as at 30 September 2019. The fund provides a valuable source of income to fund prizes and scholarships across a wide range of programmes. The fund has increased in value over the past 5 years by €6.4m, representing an annualised growth of 12.8% over the 5 years.

Debtors

Year on year debtors have increased by €10.9m. The main reason is that the research grants and contracts receivable balance is €5.6m greater than the previous year due mainly to the increase in research income and offset by a similar increase in research income received in advance.

Other debtors include an amount due at 30th September 2019 of €7.5m from the HEA in respect of Pension Control Accounts, this represents an increase of €5.3m from the corresponding amount due from the HEA of €2.2m at 30th September 2018.

Current asset investments & Cash at bank

Cash at bank and short term investments are at €90.2m. An increase of €3.5m from 2018. The principal drivers are the drawdown of the third tranche of loans from the EIB, research funding received in advance and the timing of the related expenditure.

Creditors Amounts falling due within one year

Creditors falling due within one year have increased from €208.8m to €213.9m. The main reason for the increase is that research grants and contracts in advance have increased by €14.8m reflecting the increased research activity referred to earlier. The increase in research grants and contracts in advance and academic fees received in advance depends very much on the timing of those receipts and the associated spend.

Trade creditors have increased during the year from €6.7m to €10.4m.

Short term bank borrowings have reduced by €13.5m due to the early redemption of certain loans.

Creditors Amounts falling due after more than one year

This balance has increased since last year by €41.9m. This is due in the main to the drawdown of the third tranche of the University's EIB loan facility offset by the ongoing repayments of existing loans.

Full details of all bank loans and balances at 30 September 2019 are set out in Note 23.

HONORARY TREASURER'S REPORT

ON CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 30 SEPTEMBER 2019

Restricted & unrestricted reserves

The restricted and unrestricted reserves at 30 September 2019 of €233.6m are €5.6m lower than 2018 due to the deficit incurred in the year.

Summary & Outlook

2018/19 was a successful year for the University. Student numbers at Under-graduate and Post graduate levels continued their growth path, despite the national funding difficulties. Research income continued to diversify and grow, further enhancing the overall quality of education offered to students. The University also continued to successfully integrate the IMI into UCC's business related activities with the IMI's financial performance continuing to contribute to the overall Group performance.

Disappointingly, four years on from the publication of the Expert Group on Higher Education Funding (Cassells Report), the government has not outlined its plans for the future funding model for Higher Education in Ireland. Such inaction continues to threaten the long term sustainability of the sector.

Similarly, the decline in capital support, as outlined last year, continues to be of major concern. The existing recurrent funding model, assumes continued exchequer support for ongoing refurbishment, maintenance and infrastructural capacity needs. The absence of capital grants will be a real barrier to meeting future demographic demand as the level of recurrent funding provided for students will not sustain borrowings to fund essential infrastructural investment.

In response to the challenges and uncertainties presented by the COVID 19 pandemic, the University has taken comprehensive measures to protect the health and safety of its students and staff. These measures included moving as much as possible of its academic and research activities online and the implementation of remote working arrangements for University staff. In addition, the University closed its commercial activities. The University expects that COVID 19 will have an adverse financial impact in 2020 and the full scale impact of those effects is difficult to predict at this time. While it is not possible to determine all the likely financial impacts at this time, the University has prepared financial projections and forecasts and is confident that its ongoing activities can be sustained in the current environment. The University will continue to monitor and manage the situation as it evolves during 2020 and adjust its forecasts as appropriate. The University is planning a resumption of Campus activities and the return of students to Campus in the autumn of 2020.

Finally, at the time of writing this report and as part of its response to COVID 19, the Irish Government has announced a funding package for the third level sector totalling €168m. This funding is a reflection of the increased costs that the sector will incur arising from COVID19. UCC greatly welcomes the announcement of this funding package and views it as an indication of the State's commitment to the future sustainability of the sector. Post COVID 19, the absence of a decision on the long term funding model for the Irish third level sector has now crystallised, where the over 50% dependency on non-state income, that the University has become dependent on to subsidise and deliver teaching for Irish students, now threatens UCC's ability to deliver such services in a sustainable manner. The creation of the new government department with responsibility for the higher and further education sector is another indication of the importance of the third level sector. UCC looks forward to be given an opportunity to engage with government through the Irish Universities Association (IUA) to ensure that adequate funding is allocated to third level education in Budget 2021, thereby ensuring UCC will play a pivotal role in Ireland's future recovery.

DocuSigned by:

Dr Dermot O'Mahoney

9D7FCC07CC5843D
Dr. Dermot O'Mahoney,

Honorary Treasurer

15/09/2020

HONORARY TREASURER'S REPORT

ON CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 30 SEPTEMBER 2019

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

The Governing Body is responsible for ensuring the financial statements for each financial year give a true and fair view of the state of the affairs of the University and the University group and the surplus or deficit of the University group for the period.

In respect of the preparation of these financial statements the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

The Governing Body is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that its financial statements comply with the Universities Act, 1997, the Statement of Recommended Practice on Accounting for Further and Higher Education Institutions and are prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” issued by The Financial Reporting Council.

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

Signed on behalf of the Governing Body:

DocuSigned by:
Patrick O'Shea
ADA4226FAAE84BA

Professor Patrick O'Shea
President

DocuSigned by:
Catherine Day
8A4E56E576704EB

Dr. Catherine Day
Chairperson UCC Governing Body

Date: 15/09/2020

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF UNIVERSITY COLLEGE CORK

Report on the audit of the financial statements

Opinion on the financial statements of University College Cork

In our opinion the group and university financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and university as at 30 September 2019 and of the deficit of the group for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework.

The financial statements we have audited comprise:

the group and university financial statements:

- the Consolidated Statement of Comprehensive Income;
- the Consolidated and University Statement of Changes in Reserves;
- the Consolidated and University Statement of Financial Position;
- the Consolidated Statement of Cashflows; and
- the related notes 1 to 35, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the group and the university financial statements is the Universities Act 1997, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and the Statement of Recommended Practice (the 'SORP') Accounting for Further and Higher Education as voluntarily adopted by the university ('relevant financial reporting framework').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the group and university in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Recognition of Pension Scheme Assets

In forming our opinion, we have considered the adequacy of the disclosures made in Note 32 to the financial statements concerning the recognition of an asset equivalent to the university's pension liabilities. The assets of the Closed Scheme have been transferred to the National Pension Reserve Fund and under Section 12(6) of the Financial Measures (Miscellaneous Provisions) Act, 2009, the Oireachtas will make good any deficiency arising if the aggregate of members' and employers' contributions paid to or withheld by the university are insufficient to meet the university's obligations to pay these benefits in accordance with the scheme. The obligations of the '2005 scheme' are met on a 'pay as you go' basis by the State following the transfer of the scheme assets to the National Pension Reserve Fund in 2009, and an asset equivalent to the '2005 scheme' pension liability has been recognised in the financial statements as part of its overall deferred pension funding asset. At 30 September 2019, the pension asset amounted to €1,764m. In view of the significance of these matters, we consider that they should be drawn to your attention. Our opinion is not modified in this respect.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF UNIVERSITY COLLEGE CORK

Conclusions relating to going concern

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

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

Other information

The governing body is responsible for the other information. The other information comprises the information included in the Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of governing body.

As explained more fully in the Statement of Governing Body's Responsibilities, the governing body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the governing body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF UNIVERSITY COLLEGE CORK

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 our 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.
- 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 group and university's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governing body.
- Conclude on the appropriateness of the governing body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and university's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the group to express an opinion on the consolidated financial statements. The group auditor is responsible for the direction, supervision and performance of the group audit. The group auditor remains solely responsible for the audit opinion.

We 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 the auditor identifies during the audit.

This report is made solely to the governing body of University College Cork in accordance with our engagement letter. Our audit work has been undertaken so that we might state to the university's governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the university and the university's governor's as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF UNIVERSITY COLLEGE CORK

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions of the Code of Governance for Irish Universities which require us to report if, in our opinion, the statement of internal control required by the Code of Governance for Irish Universities made in the Statement of Governance and Internal Control does not reflect the university's compliance with the relevant provisions of the Code and is not consistent with the information of which we are aware from our audit work on the financial statements.



Honor Moore
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
No. 6 Lapps Quay, Cork, Ireland.

Date: 18 September 2020

Notes: An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Legislation in Ireland governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL

Statement from Governing Body in relation to responsibility and compliance

The Governing Body of University College Cork confirms its responsibility for and satisfaction that the University is in compliance with all statutory obligations applicable to the University that may be set out in legislation governing the establishment of the University and to the best of its knowledge and belief with those obligations set out in other relevant legislation.

Code of Governance

General Governance and Accountability Issues

The University operates within a comprehensive legislative and statutory framework, which includes the Universities Act 1997, the Principal Statute of the University, a set of Governing Body Regulations, which specifically govern the conduct of Governing Body business, appointment, selection and recruitment to the Governing Body and all recruitment procedures of the University. In addition, the University aligns its activities and governance structures to the Code of Governance for Irish Universities 2019. Academically the University is managed through four Colleges, each of which has a specific set of College Rules, which are enacted in compliance with the University's Principal Statute. The Signing Authority and Approval Policy directs the University's staff and officers in relation to the appropriate sources of approval and ability to bind the University in contracts. The Signing Authority and Approval Policy was reviewed during 2016 and approved by Governing Body in February 2017. The University believes it has in place a comprehensive governance framework which is necessary for the governance and management of a large and complex institution. There are no specific governance or accountability issues which are required to be highlighted in this Statement on Governance and Internal Control.

Governing Authority Responsibility for System of Internal Control

The President acknowledges that the Governing Authority is responsible for the University's system of internal control, and that this statement requires the formal approval of the Governing Authority which was obtained on the 4th February, 2020.

Reasonable Assurance against Material Error

A robust system of internal controls reduces but cannot eliminate, the possibility of poor judgement in decision-making; human error; control processes being deliberately circumvented by employees and others; management override of controls; the occurrence of unforeseen circumstances; the organisation failing to meet its operational objectives or all material errors, losses, fraud or breaches of laws / regulation. A robust system of internal controls therefore provides reasonable, but not absolute assurance that an organisation will not be hindered in achieving its objectives, or in the orderly conduct of its operations, or by circumstances which may be reasonably foreseen.

Code of Conduct for Members

A Code of Conduct for Members of the Governing Body and Governing Body Committees was approved by UCC Governing Body on 28 October 2008 and is now incorporated into a Regulation governing the Conduct of Governing Body Business. This Regulation was updated in 2016. The aforementioned Regulation addresses conflicts of interest and obligations under the Ethics in Public Office legislation.

Code of Conduct for Employees

A Code of Conduct for Employees was agreed with Unions and approved by the Governing Body in April 2009. Policies governing the conduct of staff are in place. The conduct of staff is primarily governed by the contract of employment. Employees are required to comply with a range of policies and details of these policies are included in a starter pack issued to new employees with their contract of employment and are part of orientation for new staff. UCC HR policies are available on the UCC website and a web-link to these policies is included in the contract of employment. Conflict of interest policies and ethics in public office are also in place. The University launched an updated Conflict of Interest policies of the University into a single document containing a common set of aligned principles.

Financially Significant Developments

In April 2019, the University acquired a Cork City Centre site for €17.25m on which it is intended to develop a new building for Cork University Business School. State funding of €25m has been secured towards this development via the Higher Education Strategic Infrastructure Fund. There were no other significant financial developments affecting UCC in 2018-19. The University continues to operate in a sustainable manner and the financial statements are prepared on a going concern basis. The total amount spent on external consultancy/adviser fees paid providing advisory services for YE 2019 is €2.9m/ being 0.006% of Turnover, of which €0.5m relates to research activity. This represents a reduction of €1m year on year.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL

Pay

UCC affirms that Government policy on pay is being complied with. Details of all redundancy payments are returned to the CSO on a quarterly basis. Where a redundancy situation arises, before an ex gratia payment is processed, approval is received from the Department of Education and Skills and the Department of Public Expenditure and Reform. UCC has in place a Policy on University Consultancy, Directorships and Other Remunerated Academic Activity External to University College Cork which is published here:

https://www.ucc.ie/en/media/research/researchatucc/policiesdocuments/UCCConsultancyPolicy19_12_16v1.pdf

Financial Reporting

The University affirms that all appropriate procedures for the production of the annual financial statements are in place. The University is aligning its reporting to the requirements of the Code of Governance for Irish Universities 2019.

Campus Development

The University has completed discussions with third parties in relation to the purchase of additional space which will result in future obligations of approximately €10.1m.

Trusts and Foundations

The University's Trust Funds have been consolidated in the financial statements since 2016. In addition, a full disclosure note in relation to the Cork University Foundation is now included in the financial statements.

Internal Audit

The University operates an independent Internal Audit function reporting to the University's Audit & Risk Committee (a committee of Governing Body). The Internal Audit Charter has been updated in line with the Code of Governance for Irish Universities 2019 and amended International Professional Practices Framework (IPPF) and was approved by the Audit Committee on 5th May, 2017. The Internal Audit Office carries out an annual programme of risk-based audits. This annual plan is approved by the University's Audit & Risk Committee. The UCC Internal Audit Office follows the IPPF (updated 2016) as promulgated by the Institute of Internal Auditors (IIA) in the conduct of internal audit projects. The 2019 annual plan was approved by the UCC Audit & Risk Committee on 27th August 2019.

Procurement

Procurement Procedures:

The University confirms that procurement procedures in place have been communicated to all staff and that to the best of UCC's knowledge and belief the University continues to strive to ensure compliance with these procedures in all material ways. UCC can confirm that as an organisation it endeavours to comply with national Procurement guidelines, appropriate procedures for procurement are being carried out and implementation of the Corporate Procurement Strategy is being adhered to where appropriate. UCC fully complies with use of OGP/EPS services wherever applicable and has adopted the use of all OGP/EPS frameworks when needed and where they appropriately meet UCC's requirements.

Procurement Non-Compliance: All expenditure in excess of €25K is obliged to be notified to the Procurement Officer, to ensure full compliance with procurement guidelines.

Details of Non-Compliant Procurement: Procurement is a standard item on the Finance Committee agenda. The University makes every effort to comply fully with national procurement guidelines through devolved authority and reporting structures. Total self-declared non-compliant comes to €1,362,480. Plans are in place to address this spend in the coming year.

Corporate Procurement Plan:

UCC confirms it has all relevant procurement policies and procedures in place as well as a Procurement Strategy (Corporate Procurement Plan) all of which are available on UCC's website. UCC also submitted their Multi Annual Procurement Plan (MAPP) to the EPS in November last year.

Office of Government Procurement (OGP)

UCC complies with use of OGP/EPS services wherever applicable and has adopted the use of all OGP/EPS frameworks when needed and where they appropriately meet UCC's requirements.

Asset Disposals

The disposal of University assets to third parties and employees is governed by University procedures communicated to all staff. All appropriate procedures for the disposal of assets are being carried out.

The disposal of University assets to third parties or grants of access to property or infrastructure for commercial arrangements with third parties above the threshold of €150,000 have been subject to auction or competitive tendering process.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL

Guidelines for the Appraisal and Management of Capital Proposals

The University confirms that a process is in place to facilitate compliance with the Guidelines for the Appraisal and Management of Capital Projects issued by the Department of Finance in February 2005. The Guidelines for the Appraisal and Management of Capital Proposals are being adhered to where appropriate.

Travel Policy

UCC has a travel policy and associated procedure in place. The policy and procedures are made available to all staff on the University website. The policy and procedures have been developed having regard to the requirements of Department of Finance travel circulars and the requirements of the Revenue Commissioners in relation to employee expenses. UCC has its own travel policy based on vouched expenses having regard to Department of Finance rates for mileage.

Guidelines on Achieving Value for Money in Public Expenditure

The University, to the best of its knowledge and belief, has followed the Guidelines on Achieving Value for Money in Public Expenditure as set out in the address by the Minister for Finance of 20th October, 2005 and communicated to the universities.

Tax Laws

The University is to the best of its knowledge and belief fully compliant with taxation laws and is committed to ensuring that all tax liabilities are paid on the relevant due dates.

Legal Disputes

The University is appealing a decision of the Information Commissioner in relation to a freedom of information request for the release of the details of the European Investment Bank loan and all of the University banking arrangements to a journalist. The University was successful in this matter in the High Court and received an award of costs in its favour as part of the High Court Order however, this decision has been appealed to the Supreme Court by the Information Commissioner. The Supreme Court case was heard in January 2020 and the decision is awaited.

Confidential Disclosure Reporting – Protected Disclosures Act 2014

The University can confirm that a Whistleblowing Policy that is in line with the Protected Disclosures Act 2014 is in place. The 2018 Annual Report has been published. The 2019 Annual Report was published in advance of the 30th June 2020 deadline imposed by Section 22(1) of the Act. There are two protected disclosures ongoing from previous years.

Governing Body meetings

Seven Governing Body meetings took place during the financial year ended 30th September 2019.

Audit and Risk Management Committee meetings

The Governing Body Audit & Risk Committee met on four occasions during the financial year ended 30 September 2019.

Review of Governing Body performance

In September 2018 the Institute of Public Administration were appointed following a tender process to carry out an External Evaluation of the Governing Body. This Evaluation was presented to the new Governing Body on 4 and 5 February 2019. An action plan has been developed and the implementation of recommendations is underway. The frequency of reviews into the future will align to the Code of Governance for Irish Universities 2019.

Salary of President

The gross salary of the President during the financial year 2018-19 was €262,368.00.

Data provided to HEA

Processes are in place both centrally and in the Colleges to ensure the integrity and robustness of data on student numbers which is returned to the HEA for the purpose of calculating and allocating the core grant. The university has, to the best of its ability, satisfied itself as to the robustness of staff numbers provided to the HEA on a quarterly basis or as required.

Child Protection Policy

The University has revised its Child Safeguarding Statement so that it is in line with the Child First Act, 2015. This has been approved by the Governing Body and is on UCC's website. A relevant liaison person has been nominated. A list of the mandated persons is available. Training has also been provided to UCC staff so that they are aware of their obligations.

Fees and Expenses

Expenses paid to members of Governing Authority are in accordance with the guidelines from the Department of Finance and are presented in the University's Annual Report. The total expenses paid in 2018/19 amounted to €5,658.00.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL

Subsidiaries and interests in external companies

Compliance with terms and conditions of consent of establishment:

The University confirms that all subsidiary companies of the University continue to operate solely for the purpose as approved by the Governing Body, remain and continue to remain in full compliance with the terms and conditions of the consent under which they were approved.

Code of governance for trading subsidiaries:

Each subsidiary company of the University produces financial statements, which are independently audited and are included in the UCC Consolidated Financial Statements. The subsidiary companies' audited statutory financial statements are presented to the Finance Committee and to the Audit & Risk Committee of Governing Body. An annual report from each trading subsidiary is presented to Governing Body or in some instances, an appropriate Committee of Governing Body such as the Finance Committee, which Committee in turn will report on such review to Governing Body. Following a competitive tender process, an external advisor, Board Excellence, were engaged to advise on a governance handbook for the University's subsidiaries. Development of this governance handbook for subsidiary companies is progressing and was delayed due to COVID 19. The handbook will be submitted for approval by Governing Body when finalised. It is intended that this approval will be obtained in the second half of 2020.

Details of any shareholdings and interests held by the University in external companies

COMPANY NAME	Year of Equity Grant	CURRENT EQUITY %	Licence Income Received FY 2018/19
Alimentary Health Limited	1999	5.38%	Yes
Eblana Photonics Limited	2002	0.03%	
BioSensia Limited	2000	0.97%	
Glantreo Limited	2004	9.50%	
Atlantia Food Clinical Trials	2013	12.00%	
Metabolomic Diagnostics	2013	4.55%	
Exceedence Limited	2015	11.67%	
Respiro Research & Development Limited	2015	15.00%	
Artugen Therapeutics Limited	2016	0.18%	
Food Choices at Work	2016	12.16%	
Mirai Medical Limited	2017	10.18%	Yes
Loci Orthopaedics Limited	2017	2.27%	
Selio Medical	2018	1.00%	
Varadis Limited	2019	15.00%	

PUBLICLY LISTED HOLDINGS - Tucana Health, a UCC spin out company was acquired by 4D Pharma in 2016 by means of a share purchase agreement. In exchange for the UCC equity shareholding in Tucana Health, consideration shares in 4D Pharma Ltd were issued to the University on a phased basis contingent on milestones being met. The total UCC shareholding in 4D Pharma PLC currently stands at 52,315 ordinary shares. As of 11th November 2019, there are 65,493,842 ordinary shares in issue in 4D Pharma PLC. This represents less than 1% of the company's equity. UCC received license income from 4D Pharma in the financial year ended 30th September 2019

Intellectual Property (IP) and Conflict of Interest.

The University adopted a revised *Intellectual Property Policy* in 2019 (approved by Governing Body in June 2019) which addresses the above matters and the recommendations of the HEA/KTI Review of IP Management and Conflicts of Interest. The revised Policy is published on the University's website and has been communicated to the University's staff. The University launched an updated *Conflict of Interest policy* in 2019 (approved by Governing Body in June 2019) which harmonised various Conflict of Interest policies of the University into a single document containing a common set of aligned principles. This new Policy is published on the UCC website. The University Governing Body is made aware of all IP commercialisation and IP conflicts of interest through the Governing Body Finance Committee. The University did not receive income from equity sales in the year ended 30 September 2019. The University received dividends from Alimentary Health in the year ended 30 September 2019. The table above outlines technology license revenue received from spinout companies in 2019.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL

Statement of Internal Control

Review of the Statement of Internal Control (Governing Body and Audit and Risk Management Committee)

The University confirms that the statement on the System of Internal Controls will be reviewed by the Audit and Risk Management Committee and the Governing Body to ensure it accurately reflects the control system in operation during the reporting period.

Review of the Statement of Internal Control (External Auditors)

The University confirms that the statement on the System of Internal Controls will be reviewed by the external auditors to confirm that it is consistent with the information of which they are aware from their audit work on the financial statements.

Key procedures put in place designed to provide effective internal control

(i) Appropriate Control Environment:

The system of internal control covers all material controls including financial, operational and compliance controls, and risk management systems that support the achievement of the University's aims and objectives while safeguarding the public and other funds and assets for which the University is responsible.

The Governing Body of UCC acknowledges its responsibility for developing and maintaining an effective system of internal control.

To discharge effectively this responsibility, there are two main standing committees of the Governing Body that provide the assurance to Governing Body around governance, risk and control. These are:

The Finance Committee under delegation in statute from Governing Body oversees the financial management of the University. The Audit and Risk Committee keeps under review and advises Governing Body on the operation and effectiveness of the University's risk management systems.

The University's system of internal control remains under constant review. An analysis of the Code of Governance for Irish Universities 2019 is in progress to establish what changes may be necessary to the current internal controls in order to align with such Code.

The University continues to review and enhance its internal control environment as required to ensure relevant risks are mitigated to an acceptable level. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve aims and objectives or to conduct university affairs in an orderly and legitimate manner.

The key elements of the system of internal control include:

- clearly defined management responsibilities including segregation of duties, formal delegated authorities and sample checking of invoices and payments;
- policies, procedures and regulations;
- login, profile, management and password controls for access and use of financial systems;
- strategic planning processes;
- planning, resource allocation and budgetary control systems which are monitored through regular management reporting including the issuing of monthly reports to budget-holders and review by senior management throughout the year;
- information systems to ensure timely management reporting;
- a risk management system which identifies and reports key risks and the management actions taken to address these risks;
- adherence to national policy as informed by HEA and Departmental circulars and communiques.

(ii) Business Risks

The Audit and Risk Committee keeps under review and advises Governing Body on the operation and effectiveness of the University's risk management systems. A Risk Management Committee is also in place which reports to the University Management Team and the Audit and Risk Committee. The signed minutes from each Risk Management Committee meeting are circulated to the Audit and Risk Committee and the University Management Team after each meeting. A University Risk Register is in place and is subject to review at 6 meetings of the Risk Management Committee and 2 Risk Workshops for the University Management Team each year. Risk Management is a standing agenda item at University Management Team meetings. The University Risk Register is considered at every meeting of the Governing Body and the Risk Management Committee provides an annual report to the Audit and Risk Committee of Governing Body. The Risk Management Committee has responsibility for the embedding of risk management across the University. A dedicated Risk Manager supports Risk Management and Business Continuity Planning within the University.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL

(iii) **Information Systems:**

UCC utilises Agresso Financial Management System to record budgetary information and report on income and expenditure on a periodic (monthly basis). Agresso has reporting capability at cost-centre and at project level which enables high-level organisational review of financial performance as well as detailed monitoring by individual budget-holders. The University's annual external audit includes an assessment of the adequacy of the general computer control environment surrounding the main information technology platforms which support the UCC financial systems. The review is considered by Management and the Audit and Risk Committee. Any weaknesses identified during that review are addressed during the following financial year.

(iv) **Financial Implications of Major Business Risks:**

The University's risk management process includes consideration of the consequences (including financial consequences) of risks through the completion and monitoring of risk registers. Internal audit reviews carried out include consideration of the adequacy of policies and procedures as well as the appropriate application of authorisation limits. The System of Internal Control has procedures to prevent and detect fraud such as authorisation limits (the Signing Authority and Approval Policy 2017) and segregation of duties. A Fraud Policy is also in place and a Fraud Response Panel is established to deal with any allegations of fraud.

(v) **Monitoring the Effectiveness of the Internal Control System:**

Monitoring the effectiveness of the system of internal control is informed by the following processes:

- on-going review by the University Management Team and the provision of annual assurance statements by senior officers;
- the Annual Report of the President to the Governing Body;
- the President's Routine Reports presented at each meeting of the Governing Body;
- reports from the Finance Committee meetings relating to income, expenditure, research, treasury, debtors, liabilities/borrowings and capital which are placed before meetings of the Governing Body;
- reports from Academic Council meetings to meetings of the Governing Body;
- Risk Management Committee and monitoring of the risk register;
- Risk Management Committee minutes forwarded after each meeting to UMT and Audit Committee;
- the regular report to Governing Body and the annual report of the Audit Committee to the Governing Body together with the work performed by the Internal Audit function during the year and comments arising from the committee's review of risk management and corporate governance arrangements;
- Management letters and reports from the University's external auditors and the Comptroller and Auditor General which are reviewed by the Audit Committee;
- Quality Assurance reports;
- Communication of the results of other periodic reviews.

Review of the Effectiveness of the System of Internal Control

A review of the effectiveness of the System of Internal Control for the year ended 30 September 2019 has been carried out. It was concluded, as part of this review, that controls are adequate and appropriate to the size and complexity of the organisation and appropriate actions are being taken to address any deficiencies arising. Controls are continually reviewed to ensure they are effective. The review framework includes:

- five-year audit plan cycle covering all financial risks; various internal audit reviews annually on same;
- commercial external auditor review of transactional and ICT controls as part of the annual audit;
- devolved accountability and sign off by managers of SIC confirming individual managers operating within controls and policies; testing of this local assurance by Internal Audit review with follow up if appropriate;
- benchmarking of our controls vis a vis sector for improvement as part of QA reviews;
- reporting on non-compliance, if any; in addition, the Finance Office risk register includes an assessment of controls – where appropriate additional mitigating actions are put in place.

The University comprises of Colleges, Schools, Departments, research centres, administrative and support units. Each year, key University management personnel review the system of internal controls in their area of responsibility and confirm the adequacy of the systems of internal controls applicable in their functional area. In addition, the UCC Audit Committee reviews all reports of the University provided to it by the executive, as well as the UCC Internal Audit function reports.

Weaknesses in Internal Control. Disclosure of details regarding instances where breaches in control occurred:

For the period, 2018/19 no weaknesses in internal controls were identified which resulted in material losses, contingencies or uncertainties.

Description of the action taken to correct weaknesses

Not Applicable

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL

I Patrick O'Shea, President of University College Cork, hereby confirm that the Governing Body of University College Cork is responsible for its system of internal control.

DocuSigned by:
Patrick O'Shea
Signed: ADA4226EAAF84BA... Date: 15th September 2020

Approval by Governing Body

I Dr Catherine Day, Chairperson of the Governing Body of University College Cork and Chair of the meeting at which the Statement of Governance and Internal Control was approved, hereby confirm that the Governing Body at its meeting on 4th February 2020 approved this Statement of Governance and Internal Control and specifically approved the President's Statement above.

DocuSigned by:
Catherine Day
Signed: 8A4E56E576704EB... Date: 15th September 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year Ended 30 September 2019

		Consolidated	Consolidated	Consolidated	Consolidated
	Notes	2019	2019	2018	2018
		€'000	€'000	€'000	€'000
Income					
State grants	3		57,482		49,721
Academic fees	4		147,279		142,272
Research grants and contracts	5		99,032		94,750
Amortisation of state capital grants	24		9,923		10,753
Other operating income	6		60,742		56,163
Interest income	7		50		45
Investment income	8		552		440
Deferred funding for pensions	32		<u>54,054</u>		<u>61,475</u>
Total income before endowments and donations			<u>429,114</u>		<u>415,619</u>
Donations and endowments	9		<u>3,724</u>		<u>1,931</u>
Total Income			<u>432,838</u>		<u>417,550</u>
Expenditure					
Staff costs	10	258,519		240,379	
Pension service cost	32	<u>20,714</u>	279,233	<u>28,112</u>	268,491
Other operating expenses	11		99,352		91,631
Interest payable and similar charges	12	3,140		2,719	
Pension Interest Expense	32	<u>33,719</u>	36,859	<u>33,216</u>	35,935
Depreciation	15		<u>23,622</u>		<u>23,284</u>
Total expenditure			<u>439,066</u>		<u>419,341</u>
Deficit before other gains/losses			(6,228)		(1,791)
Profit on disposal of fixed assets			119		-
Gain on investments			<u>495</u>		<u>566</u>
Deficit before taxation	14		(5,614)		(1,225)
Taxation	13		-		-
Deficit for the year after depreciation of assets and after taxation	14		<u>(5,614)</u>		<u>(1,225)</u>
Actuarial gain in respect of pension schemes	32		232,297		(71,698)
Movement on pension receivable	32		<u>(232,297)</u>		<u>71,698</u>
Total comprehensive income for the year			<u>(5,614)</u>		<u>(1,225)</u>
Represented by:					
Restricted comprehensive income for the year	26		380		1,245
Unrestricted comprehensive income for the year			<u>(5,994)</u>		<u>(2,470)</u>

The deficit for the year arose solely from continuing operations.

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES
Year Ended 30 September 2019

Consolidated

	Income and Expenditure reserve Unrestricted	Income and Expenditure reserve Restricted	Total
	€'000	€'000	€'000
Balance at 01 October 2017	227,123	13,281	240,404
Deficit from Statement of Comprehensive Income	<u>(2,470)</u>	<u>1,245</u>	<u>(1,225)</u>
Balance at 30 September 2018	224,653	14,526	239,179
Deficit from Statement of Comprehensive Income	<u>(5,994)</u>	<u>380</u>	<u>(5,614)</u>
Balance at 30 September 2019	<u>218,659</u>	<u>14,906</u>	<u>233,565</u>

University


	Income and Expenditure reserve Unrestricted	Income and Expenditure reserve Restricted	Total
	€'000	€'000	€'000
Balance at 01 October 2017	183,625	-	183,625
Deficit from income & expenditure statement	<u>(5,216)</u>	-	<u>(5,216)</u>
Balance at 30 September 2018	178,409	-	178,409
Transfer from Creditors	49	-	49
Deficit for the year	<u>(9,371)</u>	-	<u>(9,371)</u>
Balance at 30 September 2019	<u>169,087</u>	-	<u>169,087</u>

University College Cork
National University of Ireland, Cork

CONSOLIDATED AND UNIVERSITY STATEMENT OF FINANCIAL POSITION
30 September 2019

	Notes	Consolidated		University	
		2019	2018	2019	2018
		€'000	€'000	€'000	€'000
Non-current assets					
Fixed assets	15	673,315	648,029	558,969	534,011
Heritage assets	16	2,600	2,500	2,600	2,500
Investments in subsidiaries	16	-	-	163	163
Investments	16	<u>19,687</u>	<u>17,846</u>	-	-
		<u>695,602</u>	<u>668,375</u>	<u>561,732</u>	<u>536,674</u>
Current assets					
Stocks	17	519	506	218	204
Debtors	18	46,896	36,036	63,150	50,167
Investments	19	29,001	25,000	29,001	25,000
Cash at bank	20	<u>61,183</u>	<u>61,656</u>	<u>51,943</u>	<u>49,578</u>
		<u>137,599</u>	<u>123,198</u>	<u>144,312</u>	<u>124,949</u>
Creditors: Amounts falling due within one year	21	<u>(213,850)</u>	<u>(208,838)</u>	<u>(197,528)</u>	<u>(189,212)</u>
Net current liabilities		<u>(76,251)</u>	<u>(85,640)</u>	<u>(53,216)</u>	<u>(64,263)</u>
Total assets less current liabilities		619,351	582,735	508,516	472,411
Creditors: Amounts falling due after one year	22	(382,162)	(340,311)	(335,805)	(290,757)
Retirement benefit liability	32	(1,767,944)	(1,481,214)	(1,767,944)	(1,481,214)
Retirement benefit receivable	32	<u>1,764,320</u>	<u>1,477,969</u>	<u>1,764,320</u>	<u>1,477,969</u>
Total net assets		<u>233,565</u>	<u>239,179</u>	<u>169,087</u>	<u>178,409</u>
Restricted reserve					
Income and expenditure-restricted reserve	26	14,906	14,526	-	-
Unrestricted reserve					
Income and expenditure unrestricted reserve		<u>218,659</u>	<u>224,653</u>	<u>169,087</u>	<u>178,409</u>
Total		<u>233,565</u>	<u>239,179</u>	<u>169,087</u>	<u>178,409</u>

The financial statements were approved by the Governing Body on 15/09/2020 and were signed on its behalf by:

Signed: 
 ADA4226EAAF84BA...
 Professor Patrick O'Shea
 President


 9D7F6C07CC5843D...
 Dr. Dermot O'Mahoney
 Honorary Treasurer

University College Cork
National University of Ireland, Cork

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
30 September 2019

	2019	2018
	€'000	€'000
Cash flow from operating activities		
Deficit for year	(5,614)	(1,225)
Adjustment for non-cash items		
Depreciation	23,622	23,284
Deferred state capital grants released to income	(9,923)	(10,753)
Profit on disposal of fixed assets	(119)	-
Gain on investments	(495)	(566)
Reduction/(Increase) in deferred funding for pensions	379	(147)
Adjustment for working capital movements		
(Increase)/decrease in stocks	(13)	299
(Increase)/decrease in debtors	(10,860)	(2,992)
Increase in creditors	19,243	10,515
Adjustment for investing or financing activities		
Investment income	(552)	(440)
Donations received	(3,724)	(1,931)
Movement in Trust Fund Investments	(1,841)	62
Interest payable	3,140	2,719
Other interest received	(50)	(45)
Net cash inflow from operating activities	<u>13,193</u>	<u>18,780</u>
Cash flows from investing activities		
Deferred state capital grants received	6,622	7,240
Investment Income	552	440
Purchase of tangible and heritage assets	(49,022)	(37,540)
Proceeds on disposal of fixed assets	132	3
Donations received	3,724	1,931
Interest receivable	50	45
Gain on investments	495	566
Net cash outflow from investing activities	<u>(37,447)</u>	<u>(27,315)</u>
Cash flows from financing activities		
<i>Debt due within one year:</i>		
Interest payable	(3,140)	(2,719)
(Decrease)/Increase in short term borrowings	(13,539)	13,632
<i>Debt due after one year:</i>		
Increase in long term borrowings	44,628	15,532
Payment of finance lease obligations	(167)	(163)
Net cash inflow from financing activities	<u>27,782</u>	<u>26,282</u>
Increase in cash and cash equivalents in the year	3,528	17,747
Cash and cash equivalents at beginning of year	<u>86,656</u>	<u>68,909</u>
Cash and cash equivalents at end of year	<u>90,184</u>	<u>86,656</u>
Reconciliation to cash at bank and in hand		
Cash at bank (note 20)	61,183	61,656
Investments (note 19)	<u>29,001</u>	<u>25,000</u>
Cash and cash equivalents at end of year	<u>90,184</u>	<u>86,656</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Statement of accounting policies

The significant accounting policies adopted by the University are as follows:

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

a. General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, and promulgated for use in Ireland by Chartered Accountants Ireland and the statement of recommended practice (“SORP”) – accounting for further education/higher education as voluntarily adopted by University College Cork.

b. Basis of consolidation

The Group financial statements consolidate the financial statements of the University, the University College Cork Trust Fund and its subsidiary undertakings made up to 30 September 2019.

The activities of the Students’ Union of University College Cork have not been consolidated because the University does not control those activities. The financial statements of Cork University Foundation DAC are excluded, as it is not controlled by the University. Other undertakings in which the University has interests that are not material have not been consolidated.

c. Going concern

The University’s activities and its immediate future development are described in the Honorary Treasurer’s Report. The financial position of the University, including cash flows, borrowings and liquidity have been assessed as part of future infrastructural funding requirements and in the development of the current strategic plan. The Governing Body is satisfied that the University has adequate resources to meet its obligations as they fall due. The net current liability position at 30 September 2019 arises primarily from funds received in advance of the financial year end from research, academic and grant funding sources. Therefore, the net current liability position does not indicate the need for cash flow funding. These funds, received in advance of year end, are shown as current liabilities at 30 September 2019 and have substantially been utilised by the University in the year to 30 September 2020. As outlined in note 34 to the financial statements the outbreak of COVID 19 has had an adverse impact on the University’s 2020 financial position and this is expected to continue into 2021. The University has implemented cost reduction and other mitigating measures to reduce the financial impact arising and is satisfied that it can sustain its operations into the future. The University has prepared cash flow forecasts, which illustrate that it has sufficient funding to meet its obligations as they fall due. In addition to the cost mitigating measures, the University has been in communication with its principal lenders throughout the COVID 19 pandemic and has advised them of the challenges the University faces. There has been no indication from the University’s principal lenders that they will cease to provide financial support to the University. In August 2020, the Irish third level sector was advised that it will receive additional government funding to cover a portion of the costs incurred as a result of the pandemic in the financial year ended 30 September 2020. In addition, the University in conjunction with other third level institutions has made representations to the Irish government stressing the requirement for additional funding for the sector in order to support expected future deficits arising from the pandemic and the University is confident that additional funding will be made available when the Exchequer budget for 2021 is finalised in October 2020. Based on these forecasts and this additional information, the Governing Body is satisfied that the financial statements should be prepared on a going concern basis and that the University has sufficient funds to meet its obligations as they fall due. As a result, the financial statements do not include any adjustments that may be necessary were the going concern basis of preparation deemed not to be appropriate.

d. Tangible fixed assets

(i) Land and buildings

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. The cost of certain tangible fixed assets includes payroll costs which are directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management. Depreciation is provided on all tangible fixed assets, other than 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
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NOTES TO THE FINANCIAL STATEMENTS

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.

The last valuation was carried out on 30 September 1994. The University has fixed the value of the land and buildings as at 30 September 1994 as this was the first year of the implementation of generally accepted accounting principles in respect of fixed assets in presenting the financial statements of the University. Consistent with paragraph 35.10(d) FRS 102, the University took the transitional exemption available to a first time adopter, in the financial year ended 30 September 2016, to use this previous GAAP valuation for tangible fixed assets as its deemed cost at the date of transition.

(ii) Equipment

All Equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

Computer equipment 3 years

Equipment 5 years

(iii) Assets in the course of construction

Assets in the course of construction are not depreciated until they are brought into use.

1 Statement of accounting policies - continued

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

e. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. The assets are included in fixed assets and the capital element of the leasing commitment is shown as obligations under finance lease. Assets held under finance leases are depreciated over the useful life of the related asset if there is reasonable certainty that the University will obtain ownership by the end of the lease term. Lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the Statement of Comprehensive Income in proportion to the reducing capital element outstanding.

f. Heritage assets

The University has acquired many assets of unqualified historic and cultural importance to the State. The UCC collection includes artworks and other paintings and artefacts. Artwork purchased for the benefit of the University is capitalised in the Statement of Financial Position at original cost and is not depreciated.

g. Investments – Non current

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through the statement of comprehensive income. All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

h. Investments-Current

Current Investments represent cash deposits with a maturity of 3 months or more. Current investments are short term cash investments with an insignificant risk of change in value.

i. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

j. Impairment of assets

NOTES TO THE FINANCIAL STATEMENTS

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Statement of Financial Position date. If there were objective evidence of impairment, an impairment loss would be recognised in the Statement of Comprehensive Income. There are no indicators of asset impairment at 30 September 2019.

k. Taxation

No taxation charge arises as the University and the majority of its subsidiary companies are exempt charities and are not liable for corporation tax or income tax on any of their charitable activities. The University is registered for value added tax, but since the supply of education is an exempt activity, on which no output tax is charged, it is unable to recover input tax on the majority of its purchases. Certain research and commercial activities within the University fall into the VAT net, any input or output tax relating to these activities is returned to the Revenue by the University.

l. Recognition of income*State Grants*

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

Academic Fees

Academic fees are recognised in the period to which they relate.

Research grants and contracts

Income from research grants and contracts is recognised based on the performance model i.e. income is recognised to the extent that performance-related conditions have been met. In general, this is equivalent to the expenditure incurred during the year and any related contributions towards overhead costs.

Income from short-term deposits

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

Investment income

All investment income is reflected in the financial statements on a receipts basis, except for dividends and income receivable at the financial year end which is accrued.

Donations with no restrictions

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

Donations with restrictions

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

m. Retirement benefits

The University operated three defined benefit pension schemes during the year, as detailed in note 32.

New entrants to the Public Service on or after 1 January 2013 are members of a new pension scheme, the Single Public Service Pension Scheme (SPSPS). This scheme is administered by the Department of Public Expenditure and Reform. The SPSPS applies to all new staff who joined the public sector as new entrants on or after 01 January 2013. It is a defined benefit retirement scheme. All employment retirement contributions to the SPSPS are paid to a State retirement benefit account. The scheme operates on a pay as you go basis.

Pension benefits for certain other employees of certain subsidiary undertakings are met by payments to a defined contribution pension scheme. Contributions are charged to the Consolidated Statement of Comprehensive Income account in the year in which they fall due. Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the University benefits from the employees' services. For defined benefit schemes, the amounts charged to the statement of comprehensive income are the costs arising from employee services rendered

NOTES TO THE FINANCIAL STATEMENTS

during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the Consolidated Statement of Comprehensive Income and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Retirement benefit receivable asset

As further detailed in note 32, the University was advised that the State would meet the future retirement benefit liabilities for the University College Cork (closed) scheme as part of the Financial Measures (miscellaneous provisions) Act, 2009. Under FRS 102, if any entity is virtually certain that another party would reimburse some or all of the expenditure required to secure a defined benefit obligation, the entity shall recognise the right to reimbursement as an asset. An entity shall treat those assets in the same way as plan assets. As a result, the financial statements reflect a receivable asset of €1,764m which is offset against expected the retirement liability of €1,768m. Movements on this retirement benefit receivable are included in the Consolidated Statement of Comprehensive Income in order to mirror the underlying movement on the retirement liability.

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.

o. Investments

Investments in subsidiaries are carried at cost less impairment in the University's financial statements. Current asset investments represent monies placed on deposit. Any interest earned thereon is credited to the Statement of Comprehensive Income.

p. Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life. Provision is made for any impairment. Negative goodwill is similarly included in the statement of financial position and is credited to the statement of comprehensive income in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the statement of comprehensive income in the periods expected to benefit.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the University's accounting policies, which are described in note 1, the Governing Body are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis.

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.

1) Pension

As outlined in Note 32 to the financial statements, the University operates three defined benefit pension schemes. On the basis that the Oireachtas will make good any deficiency arising to meet the University's obligations to pay pension benefits, the pension liability has been offset by the recognition of a retirement receivable asset. At 30 September 2019, the pension asset amounted to €1,764m and the pension liability amounted to €1,768m. In view of the significance of these matters, the University considers this a significant area of judgement. Refer to note 32 for additional details.

Key source of estimation and uncertainties

The following estimates have had the most significant effect on the amounts recognised in the financial statements:

NOTES TO THE FINANCIAL STATEMENTS

1) *Useful economic lives*

The useful economic lives of tangible assets are key assumptions concerning the future at the reporting date. In determining these estimates, the University has considered the expected physical wear and tear, technical and commercial obsolescence and any other limits on the use of assets. The University has also considered whether any material items within classes of assets should have a separate depreciation rate to reflect the useful life of such assets and consider no such items to be relevant following review.

2) *Provisions*

Provisions are recognised when the University has a present obligation (legal or constructive) as a result of a past event, that is probable that the University will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

3) *Impairment*

The University having considered the carrying value of tangible assets consider that there are no indicators of impairment to the University's assets at 30 September 2019.

4) *Pension benefits – assumptions*

The University operates three defined benefit schemes. The cost of these benefits and the present value of the pension obligations is based on actuarial assumptions including; life expectancy, salary increases, pension increases, discount rates and inflation. The assumptions reflect historical experience and current trends. Further details are given in note 32 to the financial statements.

3 State grants	2019	2018
	€'000	€'000
State grants allocated for recurrent purposes	<u>57,482</u>	<u>49,721</u>

The above grant income was received from the Higher Education Authority and the Department of Health.

4 Academic fees	2019	2018
	€'000	€'000
Academic fee income	<u>147,279</u>	<u>142,272</u>

A total of €45,427,269 (2018: €45,272,523) included in academic fee income was paid directly by the Higher Education Authority.

5 Research grants and contracts	2019	2018
	€'000	€'000
State and semi-state	67,801	65,601
European Union	14,934	15,092
Industry	12,251	10,167
Other	<u>4,046</u>	<u>3,890</u>
	<u>99,032</u>	<u>94,750</u>

NOTES TO THE FINANCIAL STATEMENTS

6 Other operating income	2019	2018
	€'000	€'000
Rental income	2,582	2,590
Funded post income	976	1,022
Student residences income	8,635	7,789
Leisure facilities income	2,560	2,462
Student Facilities & Services (UCC) DAC income	3,721	3,386
Art Gallery income	394	334
Irish Management Institute Income	16,530	15,499
Academic income – colleges & departments	11,182	11,125
Service & support areas	13,532	11,570
Other income	<u>630</u>	<u>386</u>
	<u>60,742</u>	<u>56,163</u>
7 Interest income	2019	2018
	€'000	€'000
Interest income	<u>50</u>	<u>45</u>
8 Investment income	2019	2018
	€'000	€'000
Investment income on restricted reserve	413	308
Other investment income	<u>139</u>	<u>132</u>
	<u>552</u>	<u>440</u>
9 Donations and endowments	2019	2018
	€'000	€'000
Donations with restrictions	70	673
Unrestricted donations	<u>3,654</u>	<u>1,258</u>
	<u>3,724</u>	<u>1,931</u>

10 Staff costs

The average monthly number of persons (including senior post-holders) employed by the University during the year, expressed as full-time equivalent was:

	2019	2018
	Number	Number
Teaching and research	1,777	1,674
Technical	122	116
Central administration and services	1,055	989
Other	<u>461</u>	<u>451</u>
	<u>3,415</u>	<u>3,230</u>

	2019	2018
	€'000	€'000

NOTES TO THE FINANCIAL STATEMENTS

Salaries and wages	215,662	201,561
Social welfare costs	18,393	16,542
Other pension costs	<u>24,464</u>	<u>22,276</u>
	<u>258,519</u>	<u>240,379</u>

Key management compensation

The total remuneration for key management personnel for the year ended 30 September 2019 totalled €2,150,996. (2018: €2,061,229).

Higher paid staff

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

Salary Bands	Year Ended 30 September 2019	Year Ended 30 September 2018
60,000 – 70,000	348	283
70,001 – 80,000	145	143
80,001 – 90,000	257	258
90,001 – 100,000	220	171
100,001 – 110,000	32	51
110,001 – 120,000	50	25
120,001 – 130,000	12	15
130,001 – 140,000	15	38
140,001 – 150,000	26	37
150,001 – 160,000	51	3
160,001 – 170,000	6	2
170,001 – 180,000	1	1
180,001 – 190,000	3	2
190,001 – 200,000	1	4
200,001 – 210,000	5	4
210,001 – 220,000	4	2
220,001 – 230,000	2	0
230,001 – 240,000	0	9
Over 240,000	9	0
Grand Total	1,187	1,048

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. The University's key management personnel are members of the senior management team who form the University Management Team, UMT.

11 Other operating expenses	2019 €'000	2018 €'000
Heat, light, water and power	5,758	6,136
Advertising and promotion	2,697	2,045
Professional fees	5,674	5,116
Training and development	785	975
Equipment	4,854	3,559
Laboratory consumables	7,850	6,581
Postage, print and stationary supplies	2,866	2,886
Communications	1,065	1,086
Books and periodicals	2,270	2,524

NOTES TO THE FINANCIAL STATEMENTS

Rent and rates	1,602	1,475
Motor, travel and subsistence	9,432	8,627
Computer supplies	1,750	1,328
Insurance	1,810	1,796
Software Costs	2,705	1,855
Repairs and maintenance	14,381	11,653
Costs relating to investment management and scholarships	574	220
Consumables and other expenses	<u>33,279</u>	<u>33,769</u>
	<u>99,352</u>	<u>91,631</u>

Auditors' remuneration for work carried out for the group in respect of the financial year is as follows:

	2019	2018
	€'000	€'000
C&AG Audit Fees	32	32
Commercial Audit Fees	<u>160</u>	<u>152</u>

12 Interest payable and similar charges

	2019	2018
	€'000	€'000
Interest charges and similar charges		
On bank loans, overdrafts and other loans wholly repayable within 5 years	602	949
On bank loans repayable after 5 years	2,279	1,770
On obligations arising under financing arrangements	<u>259</u>	<u>-</u>
	<u>3,140</u>	<u>2,719</u>

Interest payable includes interest on loans drawn down to fund residential accommodation for students and other capital investment programmes.

Pension Interest Expense (note 32)	<u>33,719</u>	<u>33,216</u>
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13 Taxation

No taxation charge arises as the University and the majority of its subsidiary companies are exempt charities and are not liable for corporation tax or income tax on any of their charitable activities.

14 Deficit/ surplus on continuing operations for the year

	2019	2018
	€'000	€'000
Deficit on continuing operations for the year is made up as follows:		
University's deficit for the year	(9,371)	(5,216)
Surplus generated by subsidiary and other undertakings	<u>3,757</u>	<u>3,991</u>
	<u>(5,614)</u>	<u>(1,225)</u>

NOTES TO THE FINANCIAL STATEMENTS- continued

15 Tangible fixed assets	Land and buildings €'000	Computer equipment €'000	Equipment €'000	Assets in course of construction €'000	Total €'000
CONSOLIDATED					
Cost or valuation					
At 1 October 2018	808,123	50,036	179,590	34,222	1,071,971
Additions	21,222	544	5,184	21,972	48,922
Reclassification	<u>4,951</u>	<u>-</u>	<u>714</u>	<u>(5,665)</u>	<u>-</u>
Disposals	<u>-</u>	<u>(86)</u>	<u>(4,760)</u>	<u>-</u>	<u>(4,846)</u>
At 30 September 2019	<u>834,296</u>	<u>50,494</u>	<u>180,728</u>	<u>50,529</u>	<u>1,116,047</u>
Depreciation					
At 1 October 2018	211,210	48,353	164,379	-	423,942
Depreciation for year	15,587	1,542	6,493	-	23,622
Disposals	<u>-</u>	<u>(86)</u>	<u>(4,746)</u>	<u>-</u>	<u>(4,832)</u>
At 30 September 2019	<u>226,797</u>	<u>49,809</u>	<u>166,126</u>	<u>-</u>	<u>442,732</u>
Net book value					
At 30 September 2019	<u>607,499</u>	<u>685</u>	<u>14,602</u>	<u>50,529</u>	<u>673,315</u>
At 1 October 2018	<u>596,913</u>	<u>1,683</u>	<u>15,211</u>	<u>34,222</u>	<u>648,029</u>

Land and buildings and equipment include assets valued in 1994 on a depreciated replacement cost basis by the College Planning Officer which has been the deemed cost on date of transition. Land and buildings and assets in course of construction includes €68,601,342 (2018: €51,347,939) in respect of freehold land which is not depreciated. Also included is €1,206,687 (2018: €1,111,477) in respect of capitalised payroll costs. The net book value of Land and buildings includes an amount of €12,643,540 in respect of a site and building which is subject to a Finance Lease-Refer to note 25.

NOTES TO THE FINANCIAL STATEMENTS- continued

15 Tangible fixed assets – continued

UNIVERSITY	Land and buildings €'000	Computer equipment €'000	Equipment €'000	Assets in course of construction €'000	Total €'000
Cost					
At 1 October 2018	672,461	49,379	174,187	33,613	929,640
Additions	20,592	533	3,273	21,369	45,767
Reclassifications	<u>4,357</u>	-	<u>714</u>	<u>(5,071)</u>	-
Disposals	<u>-</u>	<u>(16)</u>	<u>(2,539)</u>	-	<u>(2,555)</u>
At 30 September 2019	<u>697,410</u>	<u>49,896</u>	<u>175,635</u>	<u>49,911</u>	<u>972,852</u>
Depreciation					
At 1 October 2018	187,976	47,763	159,890	-	395,629
Charge for year	13,216	1,495	6,098	-	20,809
Disposals	<u>-</u>	<u>(16)</u>	<u>(2,539)</u>	-	<u>(2,555)</u>
At 30 September 2019	<u>201,192</u>	<u>49,242</u>	<u>163,449</u>	-	<u>413,883</u>
Net book value					
At 30 September 2019	<u>496,218</u>	<u>654</u>	<u>12,186</u>	<u>49,911</u>	<u>558,969</u>
At 1 October 2018	<u>484,485</u>	<u>1,616</u>	<u>14,297</u>	<u>33,613</u>	<u>534,011</u>

NOTES TO THE FINANCIAL STATEMENTS- continued

16 Non-current assets	Consolidated		University	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Investments & Heritage Assets				
Investments	19,687	17,846	-	-
Heritage assets	<u>2,600</u>	<u>2,500</u>	<u>2,600</u>	<u>2,500</u>
Investments in subsidiaries	—	—	<u>163</u>	<u>163</u>

(a) Investments

The non-current investments represent the investments held by University College Cork Trust Fund. All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

Investments at fair value comprised

	2019 €'000	2018 €'000
Equities	8,909	7,422
Bonds	-	-
Property	2,401	2,894
Infrastructure	3,897	1,536
Financial	1,879	1,440
Forestry	975	925
Other	880	2,965
Private equity	<u>746</u>	<u>664</u>
Total	<u>19,687</u>	<u>17,846</u>

(b) Heritage assets

Included in the above are assets deemed to be held for heritage purposes. The assets primarily relate to manuscripts, artefacts and art works. In addition to this, the University also owns a considerable number of works of art including paintings, silver, sculptures and priceless manuscripts. These works of art are not included in the Statement of Financial Position because, even though they are insured for substantial amounts, it is considered that no meaningful value can be attributed to them.

	Manuscripts, Artefacts & Art Works €'000	Total €'000
Cost		
At 1 October 2018	<u>2,500</u>	<u>2,500</u>
Additions	100	100
At 30 September 2019	<u>2,600</u>	<u>2,600</u>

NOTES TO THE FINANCIAL STATEMENTS- continued

Five year summary of heritage assets	2015	2016	2017	2018	2019
	€'000	€'000	€'000	€'000	€'000
Cost					
At 1 October	1,815	2,090	2,182	2,334	2,500
Additions	<u>275</u>	<u>92</u>	<u>152</u>	<u>166</u>	<u>100</u>
Cost 30 September	<u>2,090</u>	<u>2,182</u>	<u>2,334</u>	<u>2,500</u>	<u>2,600</u>

(c) Investments in subsidiaries

The University held an interest in the following subsidiary undertakings:

Subsidiary undertakings	Principal activity	Interest %	Registered office/place of business
Incorporated			
Property Management (UCC) DAC	Property development	100%	University College Cork, Western Road, Cork.
Campus Accommodation (UCC) DAC	Student accommodation	100%	University College Cork, Western Road, Cork.
Art Gallery (UCC) DAC	Art gallery	100%	University College Cork, Western Road, Cork.
Student Facilities & Services (UCC) DAC	Student services	100%	University College Cork, Western Road, Cork.
Mardyke Leisure (UCC) DAC	Leisure facilities	100%	University College Cork, Western Road, Cork.
Biosciences (UCC) DAC	Property holding company	100%	University College Cork, Western Road, Cork.
Tenton DAC	Property holding company	100%	University College Cork, Western Road, Cork
UCC Academy DAC	Educational	100%	University College Cork, Western Road, Cork
Irish Management Institute	Educational	100%	Sandyford Road, Dublin 6
SynBioHub DAC	Research	100%	University College Cork, Western Road, Cork.

17 Stocks	Consolidated		University	
	2019	2018	2019	2018
	€'000	€'000	€'000	€'000
Consumables	2	6	2	6
Finished goods for resale	<u>517</u>	<u>500</u>	<u>216</u>	<u>198</u>
	<u>519</u>	<u>506</u>	<u>218</u>	<u>204</u>

There is no material difference between the statement of financial position amount of stock and its replacement cost.

18 Debtors	Consolidated		University	
	2019	2018	2019	2018
	€'000	€'000	€'000	€'000
Trade debtors	2,875	4,271	685	1,276
Research grants and contracts receivable	27,219	21,644	27,219	21,644
Amounts due from subsidiary undertakings	-	-	20,516	19,128
State capital grants receivable - HEA	141	1,119	141	1,119
Other taxation and social insurance	1,286	1,739	1,105	1,466
Other debtors and prepayments	<u>15,375</u>	<u>7,263</u>	<u>13,484</u>	<u>5,534</u>
	<u>46,896</u>	<u>36,036</u>	<u>63,150</u>	<u>50,167</u>

Amounts due from subsidiary undertakings are repayable on demand and do not bear interest.

NOTES TO THE FINANCIAL STATEMENTS- continued

19 Current investments	Consolidated		University	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Short term deposits	<u>29,001</u>	<u>25,000</u>	<u>29,001</u>	<u>25,000</u>

Deposits are held with banks operating in the Republic of Ireland and licensed by the Central Bank of Ireland. These deposits have more than three months' maturity at the statement of financial position date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

20 Cash at bank and in hand	Consolidated		University	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Cash at bank including balances held on short term deposit	59,699	57,426	50,459	45,909
Restricted bank balances	<u>1,484</u>	<u>4,230</u>	<u>1,484</u>	<u>3,669</u>
	<u>61,183</u>	<u>61,656</u>	<u>51,943</u>	<u>49,578</u>

Restricted cash and bank balances are defined as cash and bank balances that are not available for immediate use by the University. Such cash balances can only be used for certain defined purposes.

21 Creditors: Amounts falling due within one year	Consolidated		University	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Trade creditors	10,436	6,701	7,880	4,573
Research grants and contracts in advance	87,178	72,370	87,178	72,370
Academic fees received in advance	51,790	48,350	51,790	48,350
State grant received in advance-HEA	4,632	2,753	4,632	2,753
Bank borrowings (note 23)	5,699	19,238	2,597	11,491
Amounts owed to subsidiary undertakings	-	-	1,357	2,333
Other taxation and social insurance	8,490	6,671	7,916	6,276
Deferred income	14,115	14,509	6,625	7,465
Deferred capital grants (note 24)	9,923	10,753	9,707	10,536
Short term Finance lease obligation(note 25)	170	167	170	167
Other creditors & accruals	<u>21,417</u>	<u>27,326</u>	<u>17,676</u>	<u>22,898</u>
	<u>213,850</u>	<u>208,838</u>	<u>197,528</u>	<u>189,212</u>

Amounts owed to subsidiary undertakings are repayable on demand and do not bear interest.

22 Creditors: Amounts falling due after one year	Consolidated		University	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Bank loans (note 23)	161,248	116,620	123,211	75,737
Deferred capital grants (note 24)	206,718	209,190	199,976	202,232
Long term Finance lease obligation(note 25)	12,618	12,788	12,618	12,788
Other creditors	<u>1,578</u>	<u>1,713</u>	<u>-</u>	<u>-</u>
	<u>382,162</u>	<u>340,311</u>	<u>335,805</u>	<u>290,757</u>

Amounts owed to subsidiary undertakings are repayable on demand and do not bear interest.

NOTES TO THE FINANCIAL STATEMENTS- continued

23 Bank Borrowings	Consolidated		University	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Bank loans				
Bank loans are repayable as follows:				
In one year or less (note 21)	<u>5,699</u>	<u>19,238</u>	<u>2,597</u>	<u>11,491</u>
Between one and two years	5,812	5,330	2,966	2,483
Between two and five years	26,251	19,234	17,712	10,695
In five years or more	<u>129,185</u>	<u>92,056</u>	<u>102,533</u>	<u>62,559</u>
Total	<u>161,248</u>	<u>116,620</u>	<u>123,211</u>	<u>75,737</u>
Total bank loans	<u>166,947</u>	<u>135,858</u>	<u>125,808</u>	<u>87,228</u>

Lender	Amount of Loan €000's	Balance 2019 (Including interest accrued) €000's	Loan Term Years	Borrower
Danske Bank	4,500	433	15	UCC
Barclays	10,000	-	15	UCC
Barclays	1,000	-	15	Campus Accommodation (UCC) DAC
Barclays	8,000	-	15	Mardyke Leisure (UCC) DAC
Barclays	6,000	-	10	UCC
Bank of Ireland	8,450	7,781	20	UCC
Bank of Ireland	18,441	12,102	20	Campus Accommodation (UCC) DAC
Ulster Bank	15,176	12,207	20	Campus Accommodation (UCC) DAC
Ulster Bank	10,000	9,000	20	Campus Accommodation (UCC) DAC
Ulster Bank	8,736	7,830	20	Campus Accommodation (UCC) DAC
Ulster Bank	20,000	17,524	20	UCC
European Investment Bank	35,000	35,040	23	UCC
European Investment Bank	15,000	15,020	23	UCC
European Investment Bank	50,000	50,010	23	UCC
Total	<u>210,303</u>	<u>166,947</u>		

The overall consolidated cost of capital for University borrowings in 2019 was 2%.

The University provides a negative pledge for its borrowings.

It has also guaranteed the liabilities in respect of the loans of its subsidiary, Campus Accommodation (UCC) DAC.

NOTES TO THE FINANCIAL STATEMENTS- continued

24 Deferred capital grants

	Consolidated	University
	€'000	€'000
Consolidated		
At 1 October 2018		
Buildings	207,437	200,262
Equipment	<u>12,506</u>	<u>12,506</u>
Total	<u>219,943</u>	<u>212,768</u>
Cash received		
Buildings	101	101
Equipment	<u>6,521</u>	<u>6,521</u>
Total	<u>6,622</u>	<u>6,622</u>
Released to income and expenditure		
Buildings	5,426	5,210
Equipment	<u>4,497</u>	<u>4,497</u>
Total	<u>9,923</u>	<u>9,707</u>
At 30 September 2019		
Buildings	202,111	195,153
Equipment	<u>14,530</u>	<u>14,530</u>
Total	<u>216,641</u>	<u>209,683</u>

The Deferred Capital Grants can be analysed as follows:

	2019	2018
	€'000	€'000
Consolidated		
Creditors falling due within one year	9,923	10,753
Creditors falling due after one year	<u>206,718</u>	<u>209,190</u>
At 30 September	<u>216,641</u>	<u>219,943</u>
University		
Creditors falling due within one year	9,707	10,536
Creditors falling due after one year	<u>199,976</u>	<u>202,232</u>
At 30 September	<u>209,683</u>	<u>212,768</u>

NOTES TO THE FINANCIAL STATEMENTS- continued

25 Finance lease obligation

The University has entered into a ten-year lease agreement for the use of an educational property in Cork City. In 2018, the University agreed to purchase this property. The agreed purchase price will be paid at the end of the lease period. This lease obligation has the substance of a finance lease. Information about the obligation to make future lease payments is set out below.

	Consolidated & University	
	2019	2018
	€'000	€'000
Future payments fall due as follows		
Within one year		
Later than 1 year but within five years	426	426
Later than five years	2,129	2,129
	<u>12,407</u>	<u>12,832</u>
Total		
Future Finance costs	<u>14,962</u>	<u>15,387</u>
Lease liability	<u>(2,174)</u>	<u>(2,432)</u>
	<u>12,788</u>	<u>12,955</u>
Analysed as follows: - Current portion		
Long term portion		
Lease liability	170	167
	<u>12,618</u>	<u>12,788</u>
	<u>12,788</u>	<u>12,955</u>

26 Restricted reserve

The restricted reserve is as a result of the consolidation of the University College Cork Trust Fund and is as follows:

	Consolidated		University	
	2019	2018	2019	2018
	€'000	€'000	€'000	€'000
Opening balance	14,526	13,281	-	-
New donations / funds invested	70	673	-	-
Investment income	413	307	-	-
Expenditure	(472)	(154)	-	-
Increase in market value of investments	<u>369</u>	<u>419</u>	<u>-</u>	<u>-</u>
Total restricted comprehensive income for the year	<u>380</u>	<u>1,245</u>	<u>-</u>	<u>-</u>
Closing Balance	<u>14,906</u>	<u>14,526</u>	<u>-</u>	<u>-</u>
	Consolidated		University	
	2019	2018	2019	2018
	€'000	€'000	€'000	€'000
Analysis of other restricted funds /donations by type of purpose:				
Scholarships, bursaries and prizes	70	673	-	-

27 Contingencies

The University has no known material contingent liabilities at 30 September 2019.

NOTES TO THE FINANCIAL STATEMENTS - continued

28 Capital commitments	Consolidated		University	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Contracted for but not provided	8,173	12,403	6,231	11,509
Authorised but not contracted out	<u>36,148</u>	<u>7,853</u>	<u>35,917</u>	<u>7,853</u>
	<u>44,321</u>	<u>20,256</u>	<u>42,148</u>	<u>19,362</u>

29 Financial instruments

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

	Consolidated		University	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Financial assets				
<i>Measured at fair value through the statement of comprehensive income</i>				
• Investments in listed equity instruments (see note 16)	19,687	17,846	-	-
<i>Measured at undiscounted amounts receivable</i>				
• Trade debtors (see note 18)	2,875	4,271	685	1,276
• Amounts due from subsidiary undertakings	-	-	20,516	19,128
Financial liabilities				
• <i>Measured at amortised cost</i>				
Bank loans and other loans (see note 23)	166,947	135,858	125,808	87,228
Obligations under finance leases (see note 25)	12,788	12,955	12,788	12,955
• <i>Measured at undiscounted amounts payable</i>				
Trade creditors (see note 21)	10,436	6,701	7,880	4,573
Amounts due to subsidiary undertakings (see note 21)	-	-	1,357	2,333

30 Analysis of changes in net debt

	At 1 October 2018 €'000	Cashflows €'000	At 30 September 2019 €'000
Cash at bank & short term deposits	<u>61,656</u>	<u>(473)</u>	<u>61,183</u>
Bank debt due within 1 year	<u>(19,238)</u>	13,539	<u>(5,699)</u>
Bank debt due after 1 year	<u>(116,620)</u>	<u>(44,628)</u>	<u>(161,248)</u>
Total	<u>(74,202)</u>	<u>(31,562)</u>	<u>(105,764)</u>

31 Related parties

Transactions with subsidiaries and other undertakings of the University have been eliminated on consolidation and no disclosure of these transactions has therefore been given. The University considers the following entity to be a related party that requires disclosure:

NOTES TO THE FINANCIAL STATEMENTS - continued

Cork University Foundation DAC (CUF DAC)

Cork University Foundation DAC is not consolidated, given the materiality of the balances held and its governance model, where the entity is not controlled by the University. During the period, the University provided the Foundation with office accommodation, use of equipment and administration services. During the same period, the University received from the Foundation an amount of €3.6m for the furtherance of education and research. The amount due to the University from the Foundation at the 30 September 2019 was €10k. The Statement of Financial Position of CUF DAC at 30 September 2019 includes reserves totalling €3.4m.

32 Retirement Benefits

During the year the University operated three defined benefit pension schemes.

University College Cork – National University of Ireland Cork (Closed) Scheme – known as the “Closed Scheme”

The main scheme is the University College Cork (Closed) Scheme the “Closed Scheme”. The Closed Scheme applies to pensionable employees appointed prior to 31 December 2004 and is closed to new entrants. Up until 31 March 2010, the University funded the Closed Scheme which operated under Statute, the assets of which were held separately from those of the University.

The Financial Measures (Miscellaneous Provisions) Act, 2009, provided that the Oireachtas will make good any deficiency arising if the aggregate of members’ and employers’ contributions paid to or withheld by the University are insufficient to meet the University’s obligations to pay these benefits in accordance with the scheme. On 31 March 2010, in accordance with S.I. No. 124/2010, Financial Measures (Miscellaneous Provisions) Act 2009, (University College Cork – National University of Ireland, Cork) the assets of the Closed Pension Scheme were transferred to the National Pensions Reserve Fund. The members became members of a statutory unfunded scheme renamed “University College Cork (Closed) Scheme”. There was no effect on the benefits payable to the members, with the underlying basis being that the terms and conditions of entitlement of the members will continue to be no more and no less favourable than existed under the principles of the Scheme established by the UCC Governing Body. Furthermore, the legislation in Section 6(2) sets out the effect the transfer order had on the assets of the Scheme where the relevant body [i.e. UCC] ceases to be liable in relation to the scheme. Following the transfer of assets to the exchequer, all decisions in relation to the Pension Scheme are no longer made by UCC. Within the overall pension liability is an amount of €80.8m relating to professional service added years. This €80.8m is inclusive of professional service added years earned directly in the UCC (Closed) Scheme as well as service earned elsewhere in the public sector, but credited to the UCC (Closed) Scheme following service transfer, typically on recruitment by UCC of a staff member from elsewhere in the public sector. Of the total added years’ liability of €80.8m, the professional service added years’ liability relating to the transferred in service is €14.7m.

In previous years’ financial statements, it was explained that the Department of Education and Skills and the Department of Public Expenditure and Reform did not share UCC’s view regarding the funding of the €14.7m liability related to the professional added years transferred in service. This matter led to the commencement of legal proceedings between the departments involved and UCC. In October 2017, the University reached full and final agreement with the HEA, representing the State, on the future funding of the €14.7m liability referenced above. As a result, the legal action, taken by UCC was withdrawn. The agreement provides for the full entitlement regarding transferred in service to be paid to relevant staff and pensioners. Of the total liability of €14.7m, referenced above, UCC have assessed its portion of the liability to be €3.6m and that the balance of the liability, €11.1m, will be funded by the State. UCC and the departments involved have agreed, in line with actuarial advice, a funding plan in respect of this liability. This funding plan will be reviewed annually as part of the actuarial review undertaken during the preparation of the financial statements of the University.

“University College Cork Pension Scheme 2005” – known as the “2005 Scheme”

The 2005 Scheme applies to all new staff appointed from 1 January 2005. This is an unfunded Scheme which is paid on a pay-as-you-go basis through monies provided to the University by the State for that purpose.

On the basis that the Oireachtas will make good any deficiency arising to meet the university’s obligations to pay pension benefits of the 2005 Scheme and that future pension liabilities of the 2005 Scheme are funded on a pay-as-you-go basis through monies provided to the University by the State for that purpose, the pension liability has been

NOTES TO THE FINANCIAL STATEMENTS - continued

offset by the recognition of an asset equivalent to the University's pension liabilities, as part of the overall deferred pension funding asset.

Single Public Service Pension Scheme

The Single Public Service Pension Scheme (Single Scheme) is the defined benefit pension 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. Deductions made from employees under the Single Scheme are remitted by the University to the Department of Public Expenditure and Reform.

The University is prescribed in S.I. No 581 of 2012 as a relevant authority for the purposes of the Single Scheme. The University had active members of the Single Scheme at 30 September 2019. Future benefits accruing to Scheme members have been provided for in these financial statements, as at 30 September 2019. 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 has reported a net pension liability at 30 September 2019 and 2018 as follows:

	2019 €'000	2018 €'000
Present value of the defined benefit obligations	(1,767,944)	(1,481,214)
Pension liability	<u>(1,767,944)</u>	<u>(1,481,214)</u>

	2019 €'000	2018 €'000
Analysis of pension liability		
Closed Scheme	921,957	853,044
Model Scheme	800,775	619,037
Single Public Sector Pension Scheme	<u>45,212</u>	<u>9,133</u>
	<u>(1,767,944)</u>	<u>(1,481,214)</u>

The pension receivable and net deficit at 30 September 2019 and 2018 is as follows:

	2019 €'000	2018 €'000
Pension receivable from the Irish State	<u>1,764,320</u>	<u>1,477,969</u>
Net pension deficit	<u>(3,624)</u>	<u>(3,245)</u>

Pension benefits for certain other employees of certain subsidiary undertakings are met by payments to a defined contribution pension scheme. Contributions are charged to the statement of comprehensive income in the year in which they fall due.

The requirements of FRS 102, Section 28 are fully adopted and the following movements are reflected in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued

Movement in present value of defined benefit obligation

	2019	2018
	€'000	€'000
Present value of defined benefit obligation at beginning of year	(1,481,214)	(1,491,584)
Current service cost	(44,262)	(49,762)
Interest cost	(33,719)	(33,216)
Benefits paid	30,319	31,262
Contributions by plan participants	(8,622)	(7,661)
Effect of changes in assumptions	(240,357)	73,242
Effect of experience adjustments	9,911	(3,495)
Value of Defined benefit obligation at end of year	<u>(1,767,944)</u>	<u>(1,481,214)</u>

Analysis of movement in pension receivable during the year

	2019	2018
	€'000	€'000
Analysis of deferred pension funding asset		
At beginning of year	1,477,969	1,488,192
Current service cost	44,262	49,762
Interest cost	33,719	33,216
Amounts included in other comprehensive income	232,297	(71,698)
Employer contributions	(23,548)	(21,650)
Increase / (decrease) in deferred funding for pensions	<u>(379)</u>	<u>147</u>
At end of year	<u>1,764,320</u>	<u>1,477,969</u>

The valuation of liabilities used for these disclosures has been based on an actuarial valuation carried out by an independent professionally qualified actuary at the Statement of Financial Position date. The financial assumptions used to calculate the retirement liabilities in relation to the defined benefit pension schemes under FRS 102, Section 28, are set out as follows:

	2019	2018
Financial Assumptions		
Valuation method	Projected Unit	Projected Unit
Rate of increase in salaries	2.75%	3.25%
Rate of increase in state pension	1.25%	1.75%
Rate of increase in pensions in payment	1.75%	2.25%
Discount rate for scheme liabilities	1.10%	2.30%
Inflation assumption	1.25%	1.75%

The weighted average mortality rate 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 table below shows the life expectancy for members attaining the average retiring age of 65.

The assumptions relating to longevity underlying the pension liabilities at the statement of financial position date are based on standard actuarial mortality tables. The assumptions are equivalent to expecting a 65-year-old to live for a number of years as follows:

	2019	2018
	Years	Years
	M/F	M/F
Retiring today (member age 65)	22.5/24.3	22.4/23.4
Retiring in 25 years (member age 40)	24.7/26.6	24.6/26.5

NOTES TO THE FINANCIAL STATEMENTS - continued

Amounts recognised in the statement of comprehensive income in respect of pension liabilities are as follows:

	2019	2018
	€'000	€'000
Amount included in staff costs		
Current service cost	44,262	49,762
Less employer contributions	<u>(23,548)</u>	<u>(21,650)</u>
	<u>20,714</u>	<u>28,112</u>
Other finance charges		
Interest on pension scheme liabilities	33,719	33,216
Net deferred funding for pensions		
Funding recoverable in respect of current year pension costs	(54,433)	(61,328)
Increase / (decrease) in deferred funding for pensions	<u>379</u>	<u>(147)</u>
	<u>(54,054)</u>	<u>(61,475)</u>
Amounts recognised in other comprehensive income		
Effect of changes in assumptions	240,357	(73,242)
Effect of experience adjustments	(9,911)	3,495
Return on plan assets	<u>1,851</u>	<u>(1,951)</u>
Actuarial gain in respect of pension schemes	<u>232,297</u>	<u>(71,698)</u>
Movement in pension receivable	<u>(232,297)</u>	<u>71,698</u>
33 Deferred Income	2019	2018
	€'000	€'000
State grant received	59,361	49,350
State grant receivable from prior accounting year	2,753	3,124
State grant deferred to subsequent accounting year	<u>(4,632)</u>	<u>(2,753)</u>
State grant per financial statements	<u>57,482</u>	<u>49,721</u>

34 Post Statement of Financial Position Events

In response to the challenges and uncertainties presented by the outbreak of COVID 19, the University has taken several necessary measures to protect the health and safety of its students and staff. These measures include moving academic activities online, remote working arrangements for staff and the closure of its commercial activities. As a consequence of COVID 19, it is expected that there will be some adverse financial effects in the coming year but the impact of those effects is difficult to predict. While it is not possible to determine all the likely financial impacts at this time, the University has prepared financial projections and forecasts and is confident that its operations can be sustained in the current environment. The University will continue to monitor and manage the situation closely as it evolves during 2020 and adjust its plans as appropriate.

35 Approval of financial statements

The financial statements were approved by the Governing Body on the 15/09/ 2020.

University College Cork
National University of Ireland, Cork

Additional Financial Information
(Not covered by the Auditors Report)

Year Ended 30 September 2019

Consolidated Financial Statements Year ended 30 September 2019

Circular 13/2014 – Management of and Accountability for Grants from Exchequer Funds (not covered by the Auditor’s Report)

Research Grants

Grantor	Government Funding Department/Office	Grant (Deferred)/ Due 01/10/18	Cash received 2018/19	Taken to Income 2018/19	Deferred Capital Grants	Grant (Deferred)/ Due 30/09/19
Department of Agriculture Food and the Marine	Dept of Agriculture Food and the Marine	485	(1,471)	2,568		1,582
Enterprise Ireland	Dept. of Jobs, Enterprise and Innovation	(4,830)	(5,340)	7,856		(2,314)
Health Services Executive	Dept. of Health	(1,801)	(1,191)	2,506		(486)
Health Research Board	Dept. of Health	(1,845)	(3,569)	4,754		(660)
Irish Research Council	Dept. of Education and Skills	(509)	(4,773)	3,966		(1,316)
Science Foundation of Ireland	Dept. of Jobs, Enterprise and Innovation	(22,499)	(57,125)	36,721		(42,903)
Teagasc	Dept. of Agriculture Food and the Marine	(8)	(1,341)	1,296		(53)
Sustainable Energy Ireland (SEI)	Dept. of Communications, Climate Action & Environment	66	(984)	672		(246)
Environmental Protection Agency	Dept. of Communications, Climate Action & Environment	611	(2,304)	1,663		(30)
Dept. of Communications, Climate Action & Environment	Dept. of Communications, Climate Action & Environment	105	(1,507)	1,049		(353)
Department of Jobs, Enterprise and Innovation	Dept. of Jobs, Enterprise and Innovation	(3,299)	(3,370)	5,722		(947)
Other Irish Government/State Agencies	Various Departments	(19,754)	1,155	5,485		(13,114)
Total Exchequer Research Grants		(53,278)	(81,820)	74,258		(60,840)
Total Non-Exchequer Research Grants		(17,711)	(32,963)	31,231		(19,443)
Total per Research Accounts		(70,989)	(114,783)	105,489		(80,283)
Other Adjustments						
GAAP Adjustments		20,263	-	(6,457)	6,517	20,323
Research Grants and Contracts per Financial Statements						
		(50,726)	(114,783)	99,032	6,517	(59,960)

Capital Grants

The University received grant funding of €773k in year ended 30 September 2019, under the programme for research in Third Level Institutions (PRTL I V) and €101k for other capital programmes. All such expenditure incurred is in line with the specific terms and conditions of the capital grant. All funding received from the HEA for Capital Grants is treated in line with the specific terms and conditions as set out by the HEA and is also in line with Government policies and guidelines.

**University College Cork
National University of Ireland, Cork**

**HEA funding statement and reconciliation
(Not covered by the auditor's report)**

Year ended 30 September 2019

Reconciliation with funding statement

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STATEMENT OF RESPONSIBILITIES

The University is required to comply with the Universities Act 1997, and to keep in such form as may be approved of by An tÚdarás um Ard-Oideachas all proper and usual accounts of money received and expended by it. In preparing those accounts, the University is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless that basis is inappropriate.

The University is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the University and which enables it to ensure that its financial statements comply with the Universities Act 1997. The University is also responsible for safeguarding all assets under its operational control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the University

DocuSigned by:
Patrick O'Shea
ADA4226EAAF84BA...

President

Date: 15th September 2020

STATEMENT OF ACCOUNTING POLICIES

1. Financial Statements

The financial statements reflect the teaching, research and related service activities of the University and its subsidiaries. The financial statements of the University's Trust Fund are presented separately and are not included in these financial statements.

2. Accounting Convention

The financial statements are prepared under the historical cost convention. They are presented in accordance with the existing Harmonisation of Financial Statements agreement as adopted for all Irish Universities, with the exception of Fixed Assets and Depreciation, whereby University College Cork has adopted the transitional provisions and accordingly, the valuations from 30th September 1994 are not being updated. FRS 102 has not been adopted in the preparation of these financial statements.

3. State Grants for Recurrent Expenditure

Recurrent grants have been recognised on an accruals basis. Recurrent grant which has been used for the purchase of fixed assets and for the financing of the capital portion of lease charges is transferred to Fixed Assets and General Reserve.

4. State Grants for Capital Expenditure

State grants approved by the HEA for capital expenditure are included in the financial statements of the year to the extent of cash received.

5. Fee Income

Fee income is accounted for on an accruals basis.

6. Fixed Assets and Depreciation

Land and buildings are valued based on a comprehensive valuation carried out on the 30th September, 1994. This valuation is based on the replacement cost of buildings and the market value of the existing use of land at that date. These assets and all subsequent additions are depreciated as noted below.

All fixed asset additions since 1st October, 1994 are stated at cost. Equipment, Fixtures and Fittings are valued at their depreciated cost as at the 30th September 1994. These assets and all subsequent additions are depreciated as noted below. The estimated useful lives of fixed assets by reference to which depreciation has been calculated on a straight-line basis is as follows:

Buildings	50 years
Equipment and furniture	5 years
Computer and related equipment	3 years

Depreciation is not provided on land.

7. Heritage Assets

Heritage assets (valuable artefacts held and maintained for their contribution to knowledge and culture) valued at over €10,000 are capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Heritage Assets are not depreciated.

The University holds a number of heritage assets acquired in past accounting periods which are not capitalised, as reliable cost information is not available and conventional valuation approaches lack sufficient reliability.

8. Stocks

The stocks held in teaching and service departments, with the exception of equipment, furniture and fittings, stationery stocks and stocks of building materials, are not included in the Balance Sheet. The items not included are expensed and not capitalised. The stocks which are included in the Balance Sheet are stated at the lower of cost and net realisable value.

9. General Reserve

The General Reserve represents the value of funding, after amortisation, applied for capital purposes together with the balance on ancillary service activities.

STATEMENT OF ACCOUNTING POLICIES (Cont.)

10. Research Grants and Projects

Contract research expenditure is shown net of contribution to indirect costs. Income from contract research grants is included in the Income and Expenditure Account to the extent that the related expenditure has been incurred. Contract research contribution to the University's indirect costs is included in Other Income. Fixed Assets financed from contract research grants are capitalised in the Balance Sheet.

11. Foreign Currency

Costs denominated in foreign currencies are translated at the exchange rates ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Euro at the rate of exchange ruling at the Balance Sheet date. The resulting profits or losses are dealt with in the Income and Expenditure Account.

12. Leasing

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance lease. Assets held under finance leases are depreciated over the useful life of the related asset if there is reasonable certainty the University will obtain ownership by the end of the lease term. Lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the Statement of Comprehensive Income in proportion to the reducing capital element outstanding.

Operating lease costs are charged to the Income and Expenditure Account as incurred.

13. Pensions

The University operated three defined benefit pension schemes during the year, being the Closed Scheme, Model Scheme and the SPSPS Scheme. Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the University benefits from the employees' services.

New entrants to the Public Service on or after 1 January 2013 are members of a new pension scheme, the Single Public Service Pension Scheme (SPSPS). Single scheme members' contributions are paid over to the Department of Public Expenditure and Reform.

Pension benefits for certain other employees of certain subsidiary undertakings are met by payments to defined contribution pension schemes. Contributions are charged to the income and expenditure account in the year in which they fall due.

14. Taxation

No provision has been made for taxation as the University and the majority of its subsidiary companies hold tax exempt status.

15. Ancillary Services

Ancillary Services are services provided on campus, on a cost recovery basis, and are planned to breakeven in the medium term. The net outturn on such activities (excluding student residences, leisure facilities, art gallery and student facilities & services) is transferred to the General Reserve Account.

16. Financing Arrangements

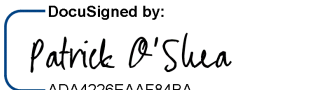
Assets held under financing arrangements which transfer substantially all of the risks and rewards of ownership to the University are treated as if they had been purchased outright and are included in the balance sheet as tangible assets at cost. The corresponding commitments are shown as liabilities.

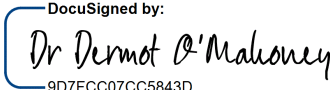
INCOME AND EXPENDITURE ACCOUNT

Year to 30th September 2019

	Notes	2018/2019 €'000	2017/2018 €'000
Income			
State Grants	1	57,773	49,835
Student Fees	2	146,580	141,586
Other Income	3	<u>44,613</u>	<u>42,155</u>
		248,966	233,576
Research Grants and Projects	4	<u>91,341</u>	<u>85,408</u>
Total		<u>340,307</u>	<u>318,984</u>
Expenditure			
Academic Faculties and Departments	5	152,053	141,022
Academic and Other Services	6	20,747	20,168
Premises	7	21,707	20,868
Amount Allocated for Capital Purposes	8	4,466	5,336
Central Administration and Services	9	25,807	23,504
General Educational Expenditure	10	5,380	5,374
Student Services	11	7,287	6,840
Miscellaneous Expenditure	12	<u>11,485</u>	<u>9,498</u>
		248,932	232,610
Research Grants and Projects		<u>91,341</u>	<u>85,408</u>
Total	13	<u>340,273</u>	<u>318,018</u>
Surplus on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets			
		34	966
Deficit on Ancillary Services	14	(220)	(657)
Depreciation of Fixed Assets	15	(22,909)	(23,319)
General Reserve Movement	16	<u>23,187</u>	<u>23,344</u>
Surplus for Year	22	<u>92</u>	<u>334</u>
Revenue Reserves at Start of Year	21	<u>(2,553)</u>	<u>(2,887)</u>
Revenue Reserves at End of Year	21	<u>(2,461)</u>	<u>(2,553)</u>

The Statement of Accounting Policies, Cash Flow Statement and notes from pages 52 to 60 form part of these Accounts.

Signed: 
 Accounting Officer/President

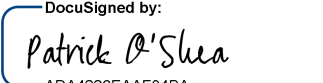
Signed: 
 Honorary Treasurer

Date: 15th September 2020.

BALANCE SHEET**As at 30th September 2019**

	Notes	2018/2019 €'000	2017/2018 €'000
Fixed Assets	17	677,651	650,748
Current Assets			
Bank balances and cash		90,184	86,095
Debtors and Prepayments	18	19,677	14,392
Stocks		<u>519</u>	<u>1,166</u>
		<u>110,380</u>	<u>101,653</u>
Current Liabilities			
Creditors and Accrued Expenditure	19	<u>(192,890)</u>	<u>(177,349)</u>
Net Current Liabilities		(82,510)	(75,696)
Long term loans and finance lease obligations		<u>(179,734)</u>	<u>(148,813)</u>
		<u>415,407</u>	<u>426,239</u>
Represented by			
General Reserve	20	417,868	428,792
Revenue Reserves	21	<u>(2,461)</u>	<u>(2,553)</u>
		<u>415,407</u>	<u>426,239</u>

The Statement of Accounting Policies, Cash Flow Statement and notes from pages 52 to 60 form part of these Accounts.

Signed: 
 ADA4226EAAF84BA...
 Accounting Officer/President


 9D7ECC07CC5843D
 Honorary Treasurer

Date: 15th September 2020

CASH FLOW STATEMENT**Year to 30th September 2019**

	Notes	2018/2019 €'000	2017/2018 €'000
Net Cash inflow / (outflow) from Operating Activities	22	12,506	12,966
Return on Investments and Servicing of Finance			
Interest Paid		(1,697)	(1,417)
Interest Received		49	43
Capital Expenditure			
Payments to Acquire Tangible Fixed Assets		<u>(49,827)</u>	<u>(36,738)</u>
Net Cash Outflow before Financing		(38,969)	(25,146)
Financing			
HEA Capital Grants		4	
Non HEA Capital Grants		12,259	13,358
Payment of Finance lease obligation		31,088	29,163
Increase in Long Term Loans		(426)	(163)
Proceeds from the Disposal of Tangible Fixed Assets		<u>133</u>	<u>3</u>
Cash Inflow from Financing		<u>43,058</u>	<u>42,361</u>
Net Cash Inflow/ (Outflow) after Financing		<u>4,089</u>	<u>17,215</u>
Increase/ (Decrease) in Cash	23	<u>4,089</u>	<u>17,215</u>

NOTES TO ACCOUNTS**Year to 30th September 2019**

	2018/2019	2017/2018
	€'000	€'000
1. State Grants		
Recurrent Grant	44,027	40,100
Nursing Grant	2,958	2,741
Targeted Funding for Special Initiatives	4,434	3,962
Minor Works	146	146
Reforms in Medical Education	4,108	786
Dental School Funding	<u>2,100</u>	<u>2,100</u>
Total	<u>57,773</u>	<u>49,835</u>
2. Student Fees		
Academic	<u>146,580</u>	<u>141,586</u>
Total	<u>146,580</u>	<u>141,586</u>
3. Other Income		
Interest Income	49	43
Funded Posts & Donations	991	1,051
Rent, Concessions and Other Charges	2,582	2,590
Research Grant and Projects Contributions	14,148	14,813
Miscellaneous Income	<u>26,843</u>	<u>23,658</u>
Total	<u>44,613</u>	<u>42,155</u>
4. Research Grants and Projects		
Research Grants	<u>91,341</u>	<u>85,408</u>
Total	<u>91,341</u>	<u>85,408</u>

NOTES TO ACCOUNTS

Year to 30th September 2019

	Staff Costs €'000	Non Pay €'000	2018/2019 €'000	2017/2018 €'000
5 Academic Faculties and Departments				
Academic	92,652	-	92,652	83,817
Technical	12,235	-	12,235	11,985
Administrative Support	19,540	-	19,540	18,394
Departmental Grants	-	27,317	27,317	26,361
Miscellaneous Expenses	-	<u>309</u>	<u>309</u>	<u>465</u>
Total	<u>124,427</u>	<u>27,626</u>	<u>152,053</u>	<u>141,022</u>
6 Academic and Other Services				
Library Costs	3,795	2,785	6,580	6,499
Computer/Information Technology	3,349	2,914	6,263	5,745
Language Centre	969	393	1,362	1,258
Cork University Press	154	473	627	1,061
Audio Visual Centre	687	123	810	789
Teaching Development Unit	286	193	479	431
Spoken/Oral Irish	696	58	754	721
Biological Services Unit	546	276	822	828
Teaching and Learning	746	93	839	827
Research Support/Technology Transfer Office	<u>1,587</u>	<u>624</u>	<u>2,211</u>	<u>2,009</u>
Total	<u>12,815</u>	<u>7,932</u>	<u>20,747</u>	<u>20,168</u>
7 Premises				
Premises Maintenance	4,309	5,721	10,030	8,626
General Services	3,309	3,650	6,959	7,026
Radiation Protection Office	6	18	24	65
Rent and Rates	-	226	226	295
Insurance	-	1,391	1,391	1,477
Energy Costs	-	<u>3,077</u>	<u>3,077</u>	<u>3,379</u>
Total	<u>7,624</u>	<u>14,083</u>	<u>21,707</u>	<u>20,868</u>
8 Allocated for Capital Purposes				
Capital Projects			3,554	4,350
Equipment			<u>912</u>	<u>986</u>
Total			<u>4,466</u>	<u>5,336</u>

NOTES TO ACCOUNTS

Year to 30th September 2019

	Staff Costs €'000	Non Pay €'000	2018/2019 €'000	2017/2018 €'000
9. Central Administration and Services				
Administration	17,945	-	17,945	15,549
Expenses	-	1,955	1,955	2,001
Professional Charges	-	3,595	3,595	3,563
Miscellaneous	-	<u>2,312</u>	<u>2,312</u>	<u>2,391</u>
Total	<u>17,945</u>	<u>7,682</u>	<u>25,807</u>	<u>23,504</u>
10. General Educational Expenditure				
Examination Expenses	989	282	1,271	1,196
Scholarships & Prizes	-	2,792	2,792	2,802
N.U.I. Capitation	-	449	449	444
Miscellaneous Expenses	<u>471</u>	<u>397</u>	<u>868</u>	<u>932</u>
Total	<u>1,460</u>	<u>3,920</u>	<u>5,380</u>	<u>5,374</u>
11. Student Services				
Capitation and Other Grants	-	1,085	1,085	1,085
Student Services	587	122	709	632
Careers Office	848	67	915	850
Sports and Recreation	992	368	1,360	1,122
Health and Counselling	<u>2,454</u>	<u>764</u>	<u>3,218</u>	<u>3,151</u>
Total	<u>4,881</u>	<u>2,406</u>	<u>7,287</u>	<u>6,840</u>
12. Miscellaneous Expenditure				
Pensions	9,056	-	9,056	7,659
Miscellaneous Expenses	-	473	473	422
Bank Interest Payable		1,697	1,697	1,417
Finance Lease Interest		<u>259</u>	<u>259</u>	
Total	<u>9,056</u>	<u>2,429</u>	<u>11,485</u>	<u>9,498</u>
13. Composition of Total Expenditure				
Academic and Related Services	178,208	70,724	248,932	232,610
Research Grants and Projects	<u>66,540</u>	<u>24,801</u>	<u>91,341</u>	<u>85,408</u>
Total Expenditure	<u>244,748</u>	<u>95,525</u>	<u>340,273</u>	<u>318,018</u>

NOTES TO ACCOUNTS

Year to 30th September 2019

	Income €'000	Expenditure €'000	Surplus/(Deficit) 2018/2019 €'000	Surplus/(Deficit) 2017/2018 €'000
14. Ancillary Services - Summary				
Art Gallery	394	719	(325)	(290)
Leisure Facilities	2,562	4,297	(1,735)	(1,936)
Student Residences	8,635	4,971	3,664	3,230
Student Facilities & Services (UCC) DAC	3,721	4,342	(621)	(741)
UCC Academy	74	2,584	(2,510)	(2,468)
Irish Management Institute	16,530	14,945	1,585	1,573
Medical/Dental and Other Facilities				
Development Account	<u>1</u>	<u>279</u>	<u>(278)</u>	<u>(25)</u>
Deficit - Ancillary Services	<u>31,917</u>	<u>32,137</u>	<u>(220)</u>	<u>(657)</u>
15. Depreciation of Fixed Assets				
Buildings			15,622	15,358
Equipment			<u>7,287</u>	<u>7,961</u>
			<u>22,909</u>	<u>23,319</u>
16. General Reserve Movement				
Amortisation of General Reserve in line with Depreciation			22,909	23,319
Income and Expenditure to General Reserve Account			<u>278</u>	<u>25</u>
			<u>23,187</u>	<u>23,344</u>

NOTES TO ACCOUNTS

Year to 30th September 2019

	Land and Buildings (including heritage assets) €'000	Equipment €'000	2018/2019 €'000	2017/2018 €'000
17. Fixed Assets				
Cost/Valuation at 1st October				
Valuation	125,196	8,219	133,415	133,415
Cost	<u>718,558</u>	<u>226,547</u>	<u>945,105</u>	<u>895,318</u>
	843,754	234,766	1,078,520	1,028,733
Additions at Cost	41,345	8,482	49,827	49,856
Disposals	-	(4,846)	(4,846)	(69)
Cost/Valuation at 30th September				
Valuation	125,196	8,219	133,415	133,415
Cost	<u>759,903</u>	<u>230,183</u>	<u>990,086</u>	<u>945,105</u>
Total	<u>885,099</u>	<u>238,402</u>	<u>1,123,501</u>	<u>1,078,520</u>
Depreciation at 1st October	211,916	215,856	427,772	404,519
Less accumulated depreciation on disposals	-	(4,831)	(4,831)	(66)
Depreciation for Year	<u>15,622</u>	<u>7,287</u>	<u>22,909</u>	<u>23,319</u>
Depreciation at 30th September	<u>227,538</u>	<u>218,312</u>	<u>445,850</u>	<u>427,772</u>
Net book value at beginning of year	<u>631,838</u>	<u>18,910</u>	<u>650,748</u>	<u>624,214</u>
Net book value at end of year	<u>657,561</u>	<u>20,090</u>	<u>677,651</u>	<u>650,748</u>

Included in the net book value of land and buildings above, is an amount of €12,644k which relates to assets held under a finance lease. The related liability is included in long term loans and finance lease obligations. Included in the above are assets deemed to be held for heritage purposes. The assets primarily relate to buildings but also include some manuscripts. The University also owns a considerable number of works of art including paintings, silver, sculptures and priceless manuscripts. These works of art are not included in the balance sheet because, even though they are insured for substantial amounts, it is considered that no meaningful value can be attributed to them. The University acquired heritage assets for €100(k in the current financial year.

NOTES TO ACCOUNTS

Year to 30th September 2019

			2018/2019	2017/2018
			€'000	€'000
18. Debtors and Prepayments				
Other Debtors and Prepayments			<u>19,677</u>	<u>14,392</u>
			<u>19,677</u>	<u>14,392</u>
19. Creditors and Accrued Expenditure				
Contract Research Grants and Projects unexpended			80,281	70,988
State Grants for Recurrent Expenditure received in advance			3,627	2,040
Academic Fees received in advance			51,790	48,350
Other Creditors and Accruals			<u>57,192</u>	<u>55,971</u>
			<u>192,890</u>	<u>177,349</u>
20. General Reserve	Opening Balance	Current Year Movement	Closing Balance	Prior Year Movement
	€'000	€'000	€'000	€'000
Valuation - Fixed Assets	133,415	-	133,415	-
State Capital Grants	347,759	104	347,863	111
Recurrent Funding Transfer	96,535	4,466	101,001	5,336
Capital Donations	152,678	-	152,678	706
Other	<u>123,662</u>	<u>7,415</u>	<u>131,077</u>	<u>7,180</u>
	854,049	11,985	866,034	13,333
Disposals		(3,739)	(3,739)	(58)
Amortisation				
Amortisation at start of Year	(425,257)		-	-
Less Amortisation on Disposal		3,739	-	58
Amortisation to I & E Account for Year		(22,909)	-	(23,319)
Amortisation at End of Year	<u>428,792</u>	<u>(10,924)</u>	<u>(444,427)</u>	<u>-</u>
			<u>417,868</u>	<u>(9,986)</u>

NOTES TO ACCOUNTS**Year to 30th September 2019**

	2018/2019	2017/2018
	€'000	€'000
21. Revenue Reserves		
Opening Balance	(2,553)	(2,887)
Surplus for the year	<u>92</u>	<u>334</u>
Closing Balance	<u>(2,461)</u>	<u>(2,553)</u>
22. Cashflow		
Reconciliation of Income and Expenditure Account Surplus to Net Cash (outflow)/ inflow from Operating Activities		
Surplus for the Year	92	334
Interest Received	(49)	(43)
Interest Paid	1,697	1,417
Finance Lease Interest	<u>259</u>	<u>0</u>
	<u>1,999</u>	<u>1,708</u>
Profit on the disposal of Fixed Assets	(118)	
Depreciation of Fixed Assets	22,909	23,319
Amortisation of General Reserve	(22,909)	(23,319)
Goodwill		-
(Increase)/Decrease in Debtors and Prepayments	(5,285)	4,214
Decrease/(Increase) in Stocks	647	(361)
Increase in Creditors and Accruals	15,541	7,430
Movement in Ancillary Services	<u>(278)</u>	<u>(25)</u>
Net Cash Inflow from Operating Activities	<u>12,506</u>	<u>12,966</u>
	2018/2019	2017/2018
	€'000	€'000
23. Analysis of Change in Cash and Cash Equivalents		
Balance at 1st October	86,095	68,880
Net Cash Inflow	<u>4089</u>	<u>17,215</u>
Balance at 30th September	<u>90,184</u>	<u>86,095</u>
	2018/2019	2017/2018
	€'000	€'000
24. Capital Commitments		
Commitments contracted at 30th September	8,173	12,403
Authorised but not contracted at 30th September	<u>36,148</u>	<u>7,853</u>
	<u>44,321</u>	<u>20,256</u>
25. Commitments and Contingencies		

The University, from time to time, is party to various legal proceedings. Provision has been made in the financial statements where it is possible at this time to make a reliable estimate of the financial effects (if any) of these cases.

NOTES TO ACCOUNTS

Year to 30th September 2019

26. Pensions

The University operated three defined benefit pension schemes during the year (Note 27). Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the University benefits from the employees' services.

New entrants to the Public Service on or after 1 January 2013 are members of a new pension scheme, the Single Public Service Pension Scheme (SPSPS). Single scheme members' contributions are paid over to the Department of Public Expenditure and Reform.

Pension benefits for certain other employees of certain subsidiary undertakings are met by payments to defined contribution pension schemes. Contributions are charged to the income and expenditure account in the year in which they fall due.

	2018/19 Closed Scheme €'000	2018/19 Model Scheme €'000	2018/19 Model Scheme* €'000	2018/19 SPSPS Scheme €'000	2018/19 Total €'000
27. Pension Control Account					
Opening balance	(71,698)	37,871	14,893	16,758	(2,176)
Income					
Employer contributions received	7,233	501	1,553	5,205	14,492
Employee contributions received	2,811	2,073	461	2,554	7,899
Pension transfers in (cash received)	10	-	-	-	10
Supplementation income	3,161	4	-	-	3,165
HEA Funding – Pension Costs	5,060	-	-	-	5,060
UCC Funding Pension Added years liability	831	-	-	-	831
Income in respect of purchase of added years	<u>514</u>	<u>205</u>	<u>4</u>		<u>723</u>
Total Income	19,620	2,783	2,018	7,759	32,180
Expenditure					
Pensions in payment (including supplementation)	25,405	250	28	1	25,684
Lump sum payments on retirement	3,283	257	-	31	3,571
Death in service payments	-	6	-	-	6
Pension transfer out (cash payments)	-	-	-	-	-
Refunds of contributions	(8)	8	-	178	178
Employee contributions payover	-	-	-	7,170	7,170
Administration and other costs	<u>458</u>	<u>323</u>	<u>58</u>	<u>51</u>	<u>890</u>
Total Expenditure	29,138	844	86	7,431	37,499
(Deficit)/Surplus	<u>(81,216)</u>	<u>39,810</u>	<u>16,825</u>	<u>17,086</u>	<u>(7,495)</u>
Grant receivable/(payable) from/to the HEA	<u>81,216</u>	<u>(39,810)</u>	<u>(16,825)</u>	<u>(17,086)</u>	<u>7,495</u>

The net grant payable to the HEA of €7.5m is included in other Debtors and Prepayments (Note 18).

*New ECF rate 20%

NOTES TO ACCOUNTS

Year to 30th September 2019

28. Related Party Transactions

The activities of the following 100% owned subsidiaries have been consolidated with the University College Cork Income and Expenditure Account and Balance Sheet:

Property Management (UCC) DAC
Campus Accommodation (UCC) DAC
Student Facilities & Services (UCC) DAC
Biosciences (UCC) DAC
Mardyke Leisure (UCC) DAC
Art Gallery (UCC) DAC
Tenton DAC
UCC Academy DAC
Irish Management Institute
SynBioHub DAC

29. Approval of Financial Statements

The financial statements were approved by the Governing Body on 15th September 2020.

RECONCILIATION OF HEA FUNDING STATEMENT WITH CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2019

	Consolidated financial statements €'000	Trust Fund €'000	GAAP adjustments €'000	HEA funding statement €'000
INCOME				
State grants	57,482	-	291	57,773
Academic fees	147,279	-	(699)	146,580
Research grants and contracts	99,032	-	(7,691)	91,341
Amortisation of state capital grants	9,923	-	12,986	22,909
Other operating income	60,742	-	14,316	75,058
Interest income	50	-	-	50
Investment income	552	(552)	-	-
Donations and endowments	3,724	(70)	(2,233)	1,421
Gain on investments	495	(495)	-	-
Profit on disposal of fixed assets	119	-	-	119
Net deferred funding for pensions	<u>54,054</u>	-	<u>(54,054)</u>	-
Total income	<u>433,452</u>	<u>(1,117)</u>	<u>(37,084)</u>	<u>395,251</u>
Total expenditure	<u>(439,066)</u>	<u>657</u>	<u>43,250</u>	<u>(395,159)</u>
(Deficit)/ surplus for year	<u>(5,614)</u>	<u>(460)</u>	<u>6,166</u>	<u>92</u>

Elements of both Capital and Recurrent expenditure reported in these Consolidated Financial Statements have been funded under one or more of the following programmes administered by the HEA:



Investing in Your Future

**Programme for Research in Third Level Institutions
(PRTL)**

The Programme for Research in Third Level Institutions is Co-funded by the Irish Government and the European Union under Ireland's EU Structural Funds Programme 2007– 2013.