

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

Consolidated Financial Statements

Year Ended 30 September 2021

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BURSAR/CHIEF FINANCIAL OFFICER'S REPORT

ON CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 30 SEPTEMBER 2021

Format of Accounts - Explanatory Note

I am pleased to present the Consolidated Financial Statements of University College Cork, as approved by the Governing Body on 15th March 2022.

The Consolidated Financial Statements of University College Cork are prepared in accordance with the Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (“SORP”) - Accounting for Further and Higher Education (2015), as issued by the Further Education and Higher Education (FE/HE) SORP Board in the UK, which has been voluntarily adopted by the Irish University sector. In this context, the University has reviewed its accounting policies and made judgements and estimates that are reasonable and prudent to ensure a true and fair view of the University's finances as at 30 September 2021.

The Consolidated Financial Statements include the activities of the University and all its subsidiary undertakings as outlined in Note 16 to the financial statements.

Highlights of the Financial Year

The impact of the COVID 19 pandemic on all areas of University activity continued to pose financial challenges. Whilst an overall group surplus of €8.24m was achieved through robust budget management, the receipt of certain non – recurring exchequer and non-exchequer income streams was a significant contributory factor in realising this surplus. These income streams include State Grant income of €5.1m of Irish Government COVID 19 support funding and €1.7m of Irish Government and EU grants included in other operating income, mainly in respect of Government wage subsidies received due to the COVID 19 pandemic. The University stand-alone financial statements, before investment gains, recorded a deficit of €401k in 2021. This operating deficit reflects the ongoing systemic funding challenges across the HEI sector. The University Trust Fund generated an investment gain of €3.4m in YE 2021 (YE 2020- investment loss of €1.2m). These investment gains/losses can vary each year and are reflective of the external global economic environment. When the investment gains are included in the University stand-alone financial statements, this results in a surplus of €2.97m in 2021.

- In 2021, the University achieved an exceptional positive movement of €3.37m (14%) on its investments representing both growth in the capital sum year on year as well as a 7.8% return on investment.
- The University accepted an interim payment of €1.3m relating to its Business Interruption Claim arising from the pandemic from its insurers on a without prejudice basis to the University's ongoing claim for all additional amounts under the policy to the full value of the level of indemnity of the policy.
- In 2021, the University completed a review of the expected Economic Useful Life (EUL) of certain buildings. This review increased the EUL of certain assets from 50 to 80 years. This led to a reduction on an annualised basis, of the depreciation charge of approximately €6m, this reduction being offset by a reduction in the amortisation of deferred capital grants of approximately €2m – resulting in a net gain to the University's overall position of €4m.
- UCC celebrated 10 years as a green campus by achieving a top ten placing on UI Green Metric Ranking (9th). In addition, UCC placed 8th in the world for impact as measured by the World Impact Rankings. UCC is the only university in the top ten in the world for both sustainability and impact. The Tyndall Facility Phase 3 refurbishment received the “Energy in Buildings Award” at the 2021 Sustainable Energy Authority of Ireland (SEAI) awards.

The summary results for 2020/2021 are set out in Table 1 below, which also shows a comparison to prior years and trends over the last 3 years. The University reported a surplus of €8.24m in 2020/21, which compares to deficit of €2.26m in 2019/20 and a deficit of €5.61m in 2018/19. Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to €23m in 2020/21, which represents a 44% increase on prior year EBITDA of €16m.

BURSAR/CHIEF FINANCIAL OFFICER'S REPORT - continued

ON CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 30 SEPTEMBER 2021

Statement of Comprehensive Income-Consolidated view

Table 1 Summary Results	30/09/2021 €'000	30/09/2020 €'000	30/09/2019 €'000
State grants	67,954	61,331	57,482
Academic fees	152,924	151,242	147,279
Research grants and contracts	95,043	94,414	99,032
Amortisation of state capital grants	9,044	11,326	9,923
Other operating income	43,920	41,184	60,742
Interest income	5	20	50
Investment income	124	355	552
Deferred funding for pensions	59,653	57,660	54,054
Donations and endowments	3,346	3,573	3,724
Total income	432,013	421,105	432,838
Staff and pension service costs	298,563	295,677	279,233
Other operating expenses	82,060	81,663	99,352
Pension and other interest expense	26,053	22,748	36,859
Depreciation	20,475	26,300	23,622
Total expenditure	427,151	426,388	439,066
Surplus/(deficit) before other gains/losses	4,862	(5,283)	(6,228)
Profit on disposal of fixed assets	12	1	119
Profit on disposal of investments	-	4,159	-
Gain/(loss) on investments	3,370	(1,138)	495
Surplus/(deficit) before taxation	8,244	(2,261)	(5,614)

Total consolidated income for the year grew by €10.9m to €432m. Fig 1.

Exchequer revenue streams improved as a proportion of overall income, with State grants showing an increase of 10.8% year on year reflecting additional once off COVID funding received from the state to offset costs arising from the necessary transition to remote learning and the requirements of infection control/prevention measures on the campus.

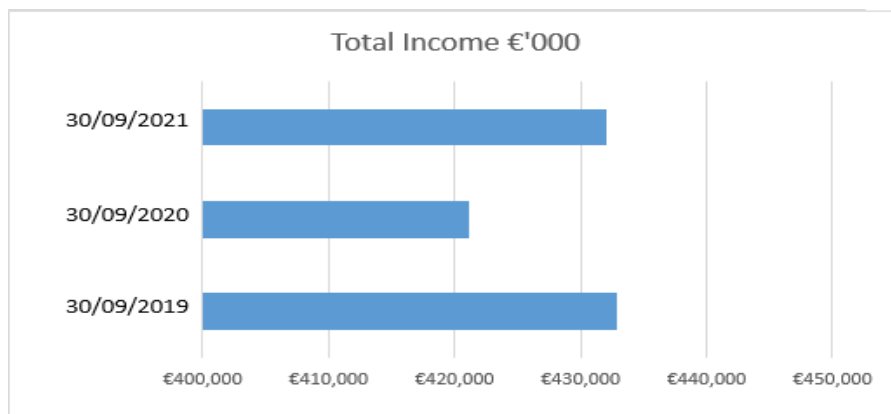


Fig 1.

Academic fee income of €152.9m in 2020/21 represented an increase of €1.68m reflecting a 1% growth in student numbers from 22,650 in 19/20 to 22,934 in 20/21 with non –EU students comprising 10.74% of the total student base. Revenue from international students at €32.4m represents a decrease of €4.5m year on year arising from the full year impact of COVID19 international travel restrictions particularly on Junior Year Abroad programmes. The University expects some recovery of the international student income streams in 21/22 as COVID19 international travel restrictions are eased. The University continues to focus on increasing international student numbers to ensure it achieves its overall internationalisation strategic ambition and in doing so generate sufficient resources to support long-term financial sustainability.

BURSAR/CHIEF FINANCIAL OFFICER’S REPORT - continued

ON CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 30 SEPTEMBER 2021

Table 2 Student Mix and Student Number

Year	EU	Non EU	Total
2020/2021	89.26%	10.74%	22,934
2019/2020	86.22%	13.78%	22,650
2018/2019	85.98%	14.02%	21,894

Student fee income increased in 2020/21 due to the continued growth in student numbers attending the University – reflecting the additional places made available to first year undergraduate applicants. See table 2 above.

Of the €152.9m of academic fee income received, a total of €47.8m was paid by the Higher Education Authority (HEA) on behalf of EU Undergraduate students, an increase of 3.2% on the previous year. The remaining self-generated fees of €105.1m reflects the diverse recruitment of students across the University – including international undergraduate / postgraduate and EU postgraduate students.

Other operating income stands at €43.9m, an increase of €2.7m/6.6% on the previous year, reflecting the early-stage recovery in general economic activity as COVID 19 restrictions eased in the latter months of the 2021 financial year.

Research activity delivered €95m of income in the year, an increase €0.6m, up 1% from 2019/20. This reflects the increase in research activity, recovering from a decline in 2020 arising from the pandemic- see Fig .2.

Research Income €'000

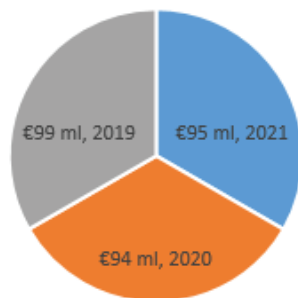


Fig.2

Expenditure

Consolidated expenditure for the year amounted to €427.2m (2019/20; €426.4m), an increase of €0.8m in the year. Overall staff costs across the UCC group of companies grew by €2.89m/1% due largely to pay restoration arising from the Public Service Pay Agreement 2021-2022- Building Momentum and annual staff increments. Fig.3.

In addition, as student numbers continue to grow, there was a corresponding increase in permanent and fixed term staff numbers employed by the University to ensure staff student ratios are not further compromised and to meet the minimum staffing requirements of professional accreditation bodies.

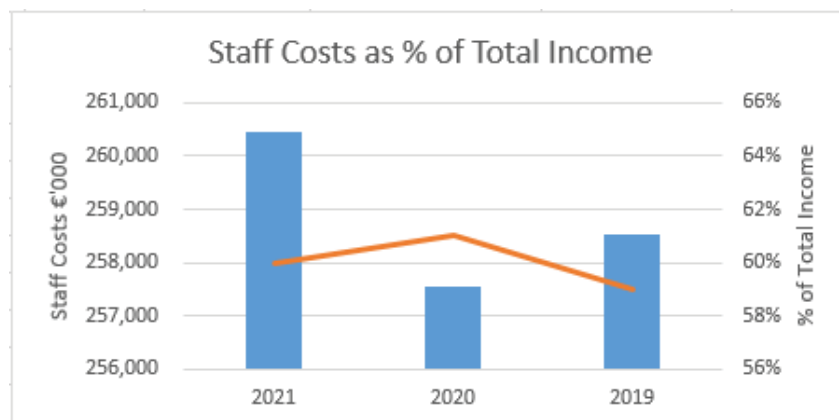


Fig.3 – staff costs as a % of total income

BURSAR/CHIEF FINANCIAL OFFICER'S REPORT - continued

ON CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 30 SEPTEMBER 2021

Other operating expenses at €82.1m are €0.4m higher than the previous year. This reflects the recovery of activity on campus after an easing of the COVID19 public health restrictions later in the financial year.

See note 10 and 11 of the Consolidated Financial Statements for a further breakdown of Staff Costs and other Operating Expenses.

Fixed assets

Overall University Fixed Assets additions in 2021 were €27.9m. In the Land and Buildings category, circa €8m relates to expenditure at the Tyndall National Institute. Also included in overall University additions was expenditure on assets in the course of construction of circa €15m being the ongoing construction of the Crow's Nest student accommodation project. This project is due to be completed in summer 2022, having been delayed due to COVID19 restrictions resulting in site closure for a time. The depreciation charge for the year was €20.5m. The depreciation charge in 2019/20 was €26.3m and the reduction in the 2020/21 depreciation charge reflects the change in the Economic Useful Life of certain assets.

Investments

The investments relate to the investments held by the University College Cork Trust Fund as at 30 September 2021. The fund generates income to fund prizes and scholarships across a wide range of programmes. The increase in Investments of €3.6m (14%) reflects the recovery in equity markets in 2021. The fund has increased in value over the past 5 years by €8.3m, representing an annualised growth of 11.3%. By comparison, in 2020 the value of investments fell by 6% due to market volatility arising from the COVID pandemic.

Debtors

Year on year debtors has increased by €11m/25% higher than previous year. This increase is due to the variation, year on year, in the timing of the receipt of certain monies and an increase in activity relative to 19/20 which had shown a decrease, due to COVID 19, in overall group activity.

Current asset investments & Cash at bank

The University continues to maintain strong liquidity, cash balances and short-term investments are at €109.6m at the 30 September 2021, an increase of €25.0m from 2020. The University has a comprehensive Treasury Policy in place to ensure Treasury risks are minimised.

Creditors Amounts falling due within one year

Creditors falling due within one year have increased by €29.5m to €253.2m, an increase of 13.2%. The main reason for the increase is the timing of payments arising from certain Research activities.

Trade creditors have reduced to €6.96m, a reduction of €2.04m /22% from 2020. This reduction is due to the timing of trade creditor payments near year-end and operational efficiencies in-group payment processing procedures.

Short-term bank borrowings have increased to €8.5m, an increase of €2.5m/42%, following from amendments to the repayment profile of the group loan portfolio as the EIB loan repayments transition from an interest only basis to full repayment basis.

BURSAR/CHIEF FINANCIAL OFFICER'S REPORT - continued

ON CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 30 SEPTEMBER 2021

Creditors Amounts falling due after more than one year

This balance has increased by €8.7m/2% due to a new loan sourced from the Housing Finance Agency for the Crow's Nest Accommodation development. Full details of all bank loans and balances at 30 September 2021 are set out in Note 23.

Restricted & unrestricted reserves

The restricted and unrestricted reserves at 30 September 2021 of €242.9m are €8.2m higher than 2020.

Summary & Outlook

In the financial year 2020/21, UCC saw a continuation of the extensive challenges posed by the impact of the Coronavirus pandemic on the University's operating environment. The University successfully delivered an agile business model, providing a hybrid academic experience which facilitated the ongoing high-quality Teaching and Research portfolios, supported by digital online technologies

In response to the challenges and uncertainties by COVID 19 in 2021 and to date, the University Research activities saw continued strong research output during the reporting period.

Student numbers at Undergraduate and Postgraduate levels improved year on year whilst commercial revenues from ancillary operations recovered in 2021, though some components of ancillary activities still experienced a challenging operating environment.

While Government support for the COVID19 impact was needed and the investment in higher education and research announced in Budget 2022 is welcome, it is not sufficient to address the core-funding deficit in the sector.

The University expects that COVID 19 will continue to impact its finances in 2022, but is confident that it will emerge positively to achieve its strategic goals (2017-2022), strengthening our infrastructure and resource base, driving future growth and success. Post COVID 19, a decision on the long-term funding model for the Irish Third Level Sector, as highlighted in the Cassells Report, has now crystallised, where the over 50% dependency on non-state income, that UCC and other Irish Universities have become dependent on to subsidise and deliver teaching for Irish students, now threatens the sector's ability to deliver such services in a sustainable manner. The ongoing 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. While the reintroduction of devolved capital grants in 2020 and renewed in 2021 to support the maintenance of the physical campus is welcome, 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. Irish Higher Education continues to show resilience in the face of many challenges. Demand remains high, with student participation at record levels. The provision of financial aid against the coronavirus impact is welcomed and the positive engagement with the Department of Further and Higher Education, Research, Innovation and Science is encouraging in difficult times. The University looks forward to being given an opportunity to engage further with the Department and the Higher Education Authority through the Irish Universities Association (IUA) to ensure that adequate funding is allocated to Third level Education in Budget 2023 and beyond, thereby ensuring it will play a pivotal role in Ireland's economic future.

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Diarmuid Collins

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Diarmuid Collins,
Bursar/Chief Financial Officer

Date: 15th March 2022

STATEMENT OF GOVERNING BODY'S RESPONSIBILITIES

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.

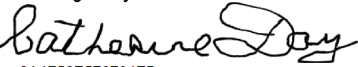
The Governing Body is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that its financial statements comply with the Universities Act, 1997, the Statement of Recommended Practice 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:

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Professor John O' Halloran
President

DocuSigned by:

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Dr. Catherine Day
Chairperson UCC Governing Body

Date: 15th March 2022



Independent auditors' report to the Governing Body of University College Cork

Report on the audit of the financial statements

Opinion

In our opinion, University College Cork's consolidated financial statements and University financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and the University's affairs as at 30 September 2021 and of the group's and the University's surplus and the group's cash flows for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

We have audited the financial statements, included within the Consolidated Financial Statements, which comprise:

- the Consolidated and University statement of financial position as at 30 September 2021;
- the Consolidated and University statement of comprehensive income for the year then ended;
- the Consolidated statement of cash flows for the year then ended;
- the Consolidated and University statement of changes in reserves for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"). Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's or the University's ability to continue as a going concern. Our responsibilities and the responsibilities of the Governing Body with respect to going concern are described in the relevant sections of this report.



Reporting on other information

The other information comprises all of the information in the Consolidated financial statements other than the financial statements and our auditors' report thereon. The Governing Body are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Code of Governance for Irish Universities ("the code")

Under the Code of Governance for Irish Universities we are required to report to you if the statement regarding the system of internal control, as included in the statement of governance and internal controls on pages 10 to 17, is not consistent with the information of which we are aware from our audit work on the financial statements. We have nothing to report in respect of this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Governing Body for the financial statements

As explained more fully in the statement of governing body's responsibilities set out on page 6, the Governing Body are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The Governing Body are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body are responsible for assessing the group's and the 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 or the University or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.



Use of this report

This report, including the opinion, has been prepared for and only for the Governing Body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the University, save where expressly agreed by our prior consent in writing.

A handwritten signature in black ink, appearing to read 'Ken Johnson', with a long horizontal line extending to the right.

Ken Johnson
For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Bank Place
Limerick

Date: 23 March 2022

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 Chair of Governing Body and the President acknowledges that the Governing Body is responsible for the University's system of internal control. It is also acknowledged that the Statement on Governance and Internal Control requires the formal approval of the Governing Body. The Statement on Governance and Internal Control (contained within the annual financial statements of the University) was approved on 15th March 2022.

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 is in place and is incorporated into a Regulation governing the Conduct of Governing Body Business. The aforementioned Regulation addresses conflicts of interest and obligations under the Ethics in Public Office legislation. The Code of Conduct is periodically reviewed and updated where appropriate.

Code of Conduct for Employees

A Code of Conduct for Employees is in place. 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. The Code of Conduct is periodically reviewed and updated where appropriate to ensure that it reflects the current organisational structure and practices. Conflict of interest policies and ethics in public office are also in place. The University launched an updated Conflict of Interest policy of the University into a single document containing a common set of aligned principles.

Financially Significant Developments

The impact of the COVID 19 pandemic on all areas of University activity continued to pose financial challenges. Whilst an overall group surplus of €8.24m was achieved through robust budget management, the receipt of certain non-recurring exchequer and non-exchequer income streams was a significant contributory factor in realising this surplus. These income streams include State Grant income of €5.1m of Irish Government COVID 19 support funding and €1.7m of Irish Government and EU grants included in other operating income, mainly in respect of Government wage subsidies received due to the COVID 19 pandemic.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL - continued

Financially Significant Developments - continued

The University stand-alone financial statements, before investment gains, recorded a deficit of €401k in 2021. This operating deficit reflects the ongoing systemic funding challenges across the HEI sector. The University Trust Fund generated an investment gain of €3.4m in YE 2021 (YE 2020- investment loss of €1.2m). These investment gains/losses can vary each year and are reflective of the external global economic environment. When the investment gains are included in the University stand-alone financial statements, this results in a surplus of €2.97m in 2021.

In addition, revenue from other commercial sources (on campus retail, concessions and commercial subsidiaries) was severely impacted by the public health restrictions imposed. The University expects that COVID 19 will have an adverse financial impact into the 2022 financial year, though this financial impact should ease as COVID 19 restrictions are lifted.

The impact of the COVID 19 pandemic on all areas of University activity has posed significant financial challenges for the group. University College Cork, in line with so many other HEIs had to fundamentally pivot its delivery and business model from March 2020. In response to the challenges and uncertainties presented by the COVID 19 pandemic, the University took 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.

As outlined in 2020, the University sold its shareholding in a former University spin out company, Alimentary Health Ltd, now PrecisionBiotics Group Limited, to Novozymes, a Danish pharmaceutical company. Based on UCC's level of equity at the date of sale, the University's immediate share of the initial consideration was €4.16m, with the potential to rise to €6.48m by 2023, pending any claims against the amount held in escrow and satisfactory performance of the company in meeting certain targets, post-acquisition.

The total amount spent on external consultancy/adviser fees, providing advisory services for YE 2021 is €6.49m being 1.5% of turnover, of which €1.49m relates to research activity. This represents an increase of €3.23m year on year, in the main due to additional costs of consultancy and professional fees associated with infection control procedures and remote working expenditures incurred arising from the COVID 19 pandemic. External consultants were appointed to investigate a complaint under the Grievance Policy and Duty of Respect and Right to Dignity Policy at a cost of €48k.

In 2018, UCC and Cork Institute of Technology (now Munster Technological University) jointly leased a premises at Nano Nagle Place in Cork City Centre on the grounds of the site of the South Presentation Convent. This site, known as the Western Apex Building, was developed by UCC and CIT to house their joint architecture programmes. The lease is for a duration of ten years following which, UCC has an option to purchase the premises outright in its sole ownership. The lease costs are financed primarily from fee income related to the academic programmes delivered at the Western Apex Building. The operating costs for the building during the term of the lease are shared equally between UCC and CIT/MTU. There is no cost to the Exchequer as this development is funded from student fee income.

Despite the financial impact of the COVID-19 pandemic on the University, the University continues to operate in a sustainable manner and the financial statements are prepared on a going concern basis.

Pay & Pensions

UCC affirms that the University complies with Government policy on pay and pensions. 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 Further and Higher Education, Research, Innovation & Science 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

The University confirms that the Code of Conduct for Employees, or relevant policy, includes guidance on ensuring that external work undertaken by employees does not impact the performance of core contracted duties.

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. The University is continuing to develop and configure its underpinning financial coding and reporting systems to enable it to fully discharge its obligations as required by the Code of Governance for Irish Universities with reference to the State Code. The specific disclosures in the financial statements for 2020/21 reflect the current reporting capacity of the financial systems

Campus Development

The University has completed discussions with third parties in relation to the purchase of additional space, which will result in future finance lease obligations of approximately €12.6m. The University has no off-balance sheet transactions in the year that are not disclosed in the annual report and financial statements.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL - continued

Trusts and Foundations

The University College Cork Trust Fund has been consolidated in the group financial statements since 2016. Cork University Foundation was consolidated for the first time in the prior financial year 2019/20. On 01st October 2019 the reserves of Cork University Foundation were attributed to the University.

Internal Audit

The University operates an Independent Internal Audit function reporting to the Audit & Risk Committee (a UCC Governing Body sub-committee). An Internal Audit Charter is in place which defines Internal Audit's purpose, authority, responsibility and position within the University. This Charter was most recently approved by the Audit & Risk Committee on 22nd September 2020. The UCC Internal Audit function carries out a programme of risk-based audits based on an Annual Audit Plan. This annual plan is approved by the University's Audit & Risk Committee. The plan relevant to the 2020/2021 financial year was approved by the Audit & Risk Committee on 16th October 2020. The conduct of projects included in the Annual Audit Plan follows the standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors. The total number of internal audit reviews completed in the financial year was 18. The UCC Audit & Risk Committee considers that the scope of work completed was appropriate as part of the process to monitor the internal control environment.

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 €25,000 is obliged to be notified to the Procurement Officer, to ensure full compliance with procurement guidelines. Workflows on the AGRESSO finance system are set up to ensure all invoices over €25,000 are routed through the Procurement Officer for approval. In addition, Procurement is a standing item on the agenda of the Finance Committee of the University.

Details of Non-Compliant Procurement: The University makes every effort to comply fully with national procurement guidelines through devolved authority and reporting structures. Total (pre-C&AG audit) self-declared non-compliant procurement for 2020/21 is €1.38m. This is a decrease of €1.74m approximately, year on year from the adjusted 2019/20 figure. Plans are in place to continue the progress in reducing the remaining non-compliant spend in the coming year.

Details of Non-Competitive Procurement: Total (pre-C&AG audit) self-declared non-competitive procurement for 2020/21 is €5.62m. The reasons for this non-competitive procurement in 2021 were urgent COVID 19 arrangements and specific sole supplier environments. Total spend across UCC group above €25k threshold in 2021 was €81.35m including the non-competitive amount declared.

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 Education Procurement Services (EPS) on the 23rd of October 2021.

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. The University's procedures in respect of asset disposals are currently undergoing a review and will be updated as appropriate.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL - continued

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 travel policies and associated procedures in place have been developed having regard to Government travel policy requirements.

Guidelines on Achieving Value for Money in Public Expenditure

The University, to the best of its knowledge and belief, confirms that the Guidelines on Achieving Value for Money in Public Expenditure as set out in the Department of Public Expenditure and Reform Public Spending Code are being followed.

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

There were no legal disputes between the University and other State bodies in the financial year 2020/2021, consequently a return to the HEA of legal disputes or legal costs was not required in 2020/2021.

Confidential Disclosure Reporting – Protected Disclosures Act 2014

The University confirms that a Protected Disclosures policy in line with the Protected Disclosures Act 2014 is in place. The University reviewed its Policy in the 2020/21 financial year and adopted a revised Disclosures Policy, which was approved by Governing Body on the 15th June 2021. The University confirms that the annual report required under section 22(1) of the Act will be published in advance of the 30th June 2022 deadline imposed by Section 22(1) of the Act. There is one protected disclosures ongoing from previous years related to employment and various other matters. In respect of a second disclosure ongoing from previous years related to research matters, the University's Disclosures Group has reviewed and considered the relevant reports and is satisfied that the matters raised have been extensively and exhaustively investigated by the University and no further investigation of the matters is required. One further disclosure was received in the 2020/21 financial year relating to alleged penalisation by the University from a disclosure which that discloser had previously made in a separate organisation which is independent of the University. An investigation into the matter found no wrongdoing on the part of the University staff members against whom penalisation was alleged.

Governing Body meetings

Eight Governing Body meetings took place during the financial year ended 30th September 2021. All meetings were quorate throughout. The Governing Body Chair confirms that the number of meetings in the financial year was satisfactory to discharge the duties of the Governing Body. The Governing Body has not conducted private session time during the meetings referred to above. The principle of private session time remains a challenge for the Governing Body under the current composition of the Body as prescribed by legislation with a large number of internal Governors. When the new Higher Education Authority legislation is enacted with an anticipated reform of the composition of Governing Body, the matter will be revisited. It is confirmed that all of the Governing Body's standing Committees have availed of private session time on a regular basis.

Audit and Risk Management Committee meetings

The Audit & Risk Committee met on eight occasions during the financial year ended 30th September 2021. In addition, the Committee supplemented these scheduled meetings with some private session meetings.

Review of Governing Body performance

A Governing Body and Governing Body Committees Self-Assessment was initiated in June 2021 and the results of the Self-Assessment exercise were reviewed by the Governing Body and the respective Committees later in 2021. The previous external review was completed in February 2019. The scheduled expiration of the current Governing Body's term of office is January 2024 however, this term of office may be abridged by the impact of the proposed Higher Education Authority Bill 2022. The next external review in 2022 or 2023 will depend on the timing of the conclusion of the current Governing Body's term of office.

Salary of President

The gross salary of the President during the financial year 2020/21 was €201,155 excluding employer's PRSI/Pension.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL - continued

Data provided to HEA

Processes are in place both centrally and in the constituent 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.

The Framework for Promoting Consent in Higher Education

The University confirms that it has applied institutional processes which will support achievement and monitoring of the objectives of the Framework for Promoting Consent and Preventing Sexual Violence in Higher Education. The Interim Registrar is the appointed University Management Team sponsor for the Framework. In January 2020, the HEA awarded funding of €350,000 to Professor Louise Crowley to support the Bystander Intervention initiatives under the Framework. Implementation structures and activities formally commenced with the establishment of the Sexual Violence Task Force and Steering Group. On the 15th March 2021, the UCC Action Plan under the Framework was submitted to the HEA, with the first progress report on same submitted on 26th November 2021. Key outputs included: a) all UCC Students' Union and Clubs/Society Representatives completed the Bystander Intervention programme; b) orientation was delivered to all new postgraduate research students; and c) eighty-seven percent of UCC first years had completed the Introduction to Bystander Intervention course by October 2021. In addition, UCC supported the launch of Bystander Intervention nationally in September 2021. Key actions for 2022 include: a) the Speak Out anonymous reporting tool was launched in early 2022; b) new sexual misconduct policies for staff and students are in development; c) disclosure training is also under development and will be available to all front line staff from May 2022; d) consent training is also in development for issue to all students in September 2022.

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 the UCC website. Training has also been provided to UCC staff so that they are aware of their obligations.

Disability Act 2005

The University confirms that the Institution is meeting its obligations under the Disability Act 2005. The University has measures in place to ensure that students have the opportunity to submit a request for an independent assessment of need including access to buildings, services and information. As an equal opportunities employer, the University is active in recruitment of people with disabilities.

Fees and Expenses

Expenses paid to members of Governing Body are in accordance with the guidelines from the Department of Finance and are presented in the University's Annual Report. No expenses were claimed by Governing Body members in the financial year ended 30th September 2021 as Governing Body meetings were held via video conference throughout the period due to the public health guidelines in place.

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 of which they were established, remain and will continue to remain in full compliance with the terms and conditions of the consent under which they were established.

Code of governance for trading subsidiaries

The University confirms that an appropriate code of governance is in place in respect of trading subsidiaries (i.e. subsidiaries with annual turnover and employees), with annual statements provided to the Governing Body, and that the Governing Body has received a formal report of compliance from the Chairperson of the Board of each subsidiary. The sectoral Code of Governance for University Subsidiaries was finalised by the HEA and IUA in February 2022. The University and its subsidiaries will proceed to implement its provisions in full over the course of 2022. Pending finalisation of the Code of Governance for Subsidiary Companies of Irish Universities, the University continued to ensure implementation of corporate governance best practice with its subsidiaries including an annual report from the General Manager/CEO of each subsidiary to the Governing Body Finance Committee (which Committee in turn reports on such review to Governing Body as part of the Finance Committee reporting to Governing Body). 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.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL - continued

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

Company Name	Year of Equity Grant	Current Equity %	License Income received FY 2020/2021
CorkOpt. Acquired by Stocker Yale 2000, which was acquired by ProPhotonix in 2010, which was acquired by VC Union Capital, Boston in Dec 2021.	1994	0.0082%	N
PrecisionBiotics (founded as Alimentary Health. Sold to Novozymes. UCC holds interest in proceeds of deferred element of sale fee)	1999	0.00%	N
Eblana Photonics Limited	2002	0.03%	N
BioSensia Limited	2000	0.97%	N
Glantreo Limited	2004	9.50%	N
Clinical Support Information Systems Ltd.	2010	In Liquidation	N
Atlantia Food Clinical Trials	2013	12.00%	N
Metabolomic Diagnostics	2013	4.55%	N
Exceedence Limited	2015	11.67%	N
Respiro Research & Development Limited	2015	15.00%	N
Artugen Therapeutics Limited	2016	0.11%	N
Food Choices at Work	2016	10.6%	N
Mirai Medical Limited	2017	7.00%	Y
Loci Orthopaedics Limited	2017	2.27%	N
Selio Medical	2018	1.00%	N
Varadis Ltd	2019	15.00%	N
Seqbiome Ltd	2019	15.00%	Y
BioPixS	2020	15.00%	N
Liltoda	2020	15.00%	Y
Stimul.ai	2021	12.67%	N
Bcon Medical	2021	3.00%	N
Cergenx	2021	15.00%	N

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 31st December 2021, there are approx. 180m ordinary shares in issue in 4D Pharma PLC. The UCC shareholding represents around 0.03% of the company's equity. UCC last received license income from 4D Pharma in the financial year ended 30th September 2020.

Intellectual Property (IP) and Conflict of Interest

(i) The University confirms that it has in place a single IP policy, published on its website, which includes all of these elements:

- Reflects the National IP Management requirements of the national IP Protocol
- Clearly sets out all IP processes and researcher obligations
- Includes a clear description of IP commercialisation decision-making processes
- Includes a clear dispute resolution process
- Describes revenue share mechanisms
- Describes potential for conflicts of interest and directs researchers to the relevant sections of the HEI's Conflict of Interest Policy
- The policy is published on its external website

(ii) An IP commercialisation report was submitted to Governing Body on 2nd February 2021 and a report on conflicts of interest was submitted on 15th March 2022.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL - continued

Intellectual Property (IP) and Conflict of Interest – continued

(iii) The University confirms that the Governing Authority is made aware of all IP commercialisation and conflicts of interest on an annual basis. An IP commercialisation report was submitted to Governing Body on 2nd February 2021 and a report on conflicts of interest was submitted on 15th March 2022.

Profit on disposal of Investments

There is no profit on disposal of Investments to report for the financial year October 2020 to September 2021. However, the University was notified post year end, in December 2021 of the acquisition of a company called ProPhotonix in which the University held 8,212 shares (0.0082%). The company was acquired by a venture capital firm called Union Capital in December 2021. Share sale price was 11c per share amounting to share sales proceeds of €903.00. ProPhotonix acquired a UCC spin out company called CorkOpt in 2000 thus converting the UCC shares in CorkOpt to shares in ProPhotonix. Additionally, the Governing Body of UCC approved the sale of UCC shares in Eblana in December 2021. The sale of UCC's 0.03% shareholding is expected to materialise in March 2022.

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

The University affirms that it is committed to the key characteristics of good research practice as set out in the HEA Framework.

General governance and accountability issues

The Chair of Governing Body and the President confirm there were no governance issues, concerns, or major risks that arose, requiring notification to the HEA, for the University, in the reporting period, other than as set out in the responses to this Annual Governance Statement.

Statement of Internal Control

Governing Authority responsibility for System of Internal Control

The Chair of Governing Body and the President acknowledge that the Governing Body is responsible for the University's system of Internal Control. It is also acknowledged that the Statement on Governance and Internal Control requires the formal approval of the Governing Body. The Statement on Governance and Internal Control (contained within the annual financial statements of the University) was approved on 15th March 2022.

Reasonable assurance against material error

A system of internal controls is designed to manage risk to an acceptable level rather than to eliminate it. It 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 assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way. The system of internal controls was in place for the year ended 30th September 2021 and continues to be in place at the date of the approval of the financial statements on 15th March 2022.

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 was reviewed by the Audit and Risk Committee on 8 March 2022 and the Governing Body on 15 March 2022 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 of Internal Controls is reviewed by the external auditors as part of the financial statements audit to ascertain the consistency of the information in the statement with information of which they are aware from their audit work carried out.

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.

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:

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL - continued

Key procedures put in place designed to provide effective internal control – continued

(i) Appropriate Control Environment - continued:

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;
- appropriate access and general controls within IT systems
- 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 other government departments.

(ii) Business Risks

The Audit & Risk Committee keeps under review and advises Governing Body on the operation and effectiveness of the University's risk management systems. Risk management forms a standing agenda item at meetings of the Audit & Risk Committee with regular attendance by the Corporate Secretary (as Chief Risk Officer), the Risk Manager and the Chair of the UCC Risk Management Committee. The University Risk Register is considered at meetings of the Audit & Risk Committee which in turn reports on matters of importance thereon to the Governing Body. The Risk Management Committee reports regularly to the University Management Team and to the Audit & Risk Management Committee. The Risk Management Committee has responsibility for the embedding of risk management across the University. A dedicated Risk Manager is in place to support risk management and business continuity planning across the University. A University Risk Register is in place and is subject to review during the year at 6 meetings of the Risk Management Committee and 2 Risk Management Workshops. In addition, Risk Management is discussed regularly at meetings of the University Management Team. The University's approach to the management of risk is set out in a comprehensive Risk Management Policy, an updated version of which was approved by Governing Body in October 2020. In the course of 2020/21, the University Risk Register was updated on an ongoing basis to take account of any changes to the descriptions, controls, impact, likelihood and further actions for existing risks on the Risk Register as a result of the impact of the Covid-19 pandemic and otherwise.

(iii) Information Systems:

UCC utilizes the 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.

STATEMENT ON GOVERNANCE AND INTERNAL CONTROL - continued

Key procedures put in place designed to provide effective internal control - continued

(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. The University's risk management process requires the identification of the consequences (including financial consequences) of risks through the completion and monitoring of risk registers. 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;
- Internal audit reports and updates;
- 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 was carried out with respect to the year ended 30th September 2021. This report was approved by the Audit & Risk Committee on 11th January 2022 and by the Governing Body on 8th February 2022. It was concluded as part of this review that the 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 internal audit plan cycle covering all financial risks; various internal audit reviews annually on same;
- commercial external auditor review of relevant 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 2020/21 no significant weaknesses in internal controls were identified which resulted in material losses, contingencies or uncertainties, which require disclosure in the financial statements or the Auditors Report on the Financial Statements.

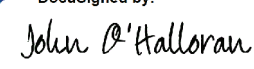
STATEMENT ON GOVERNANCE AND INTERNAL CONTROL - continued

Description of the action taken to correct weaknesses

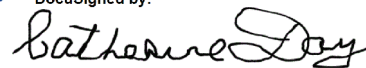
Not Applicable

Approval by Governing Body

I John O'Halloran, 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:

Signed: _____ Date: March 15, 2022 | 04:39 PDT
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John O'Halloran
President
UCC

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 15th March 2022 approved this Statement of Governance and Internal Control and specifically approved the President's Statement above.

DocuSigned by:

Signed: _____ Date: March 15, 2022 | 17:04 GMT
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Dr Catherine Day
Chair of the Governing Body
UCC

**CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

	Notes	Consolidated		University	
		2021 €'000	2020 €'000	2021 €'000	2020 €'000
Income					
State grants	3	67,954	61,331	67,954	61,331
Academic fees	4	152,924	151,242	150,290	148,524
Research grants and contracts	5	95,043	94,414	95,043	94,414
Amortisation of state capital grants	24	9,044	11,326	8,826	11,108
Other operating income	6	43,920	41,184	21,858	20,604
Interest income	7	5	20	16	31
Investment income	8	124	355	124	355
Deferred funding for pensions	32	<u>59,653</u>	<u>57,660</u>	<u>59,653</u>	<u>57,660</u>
Total income before endowments and donations		<u>428,667</u>	<u>417,532</u>	<u>403,764</u>	<u>394,027</u>
Donations and endowments	9	<u>3,346</u>	<u>3,573</u>	<u>2,044</u>	<u>2,566</u>
Total Income		<u>432,013</u>	<u>421,105</u>	<u>405,808</u>	<u>396,593</u>
Expenditure					
Staff costs	10	260,451	257,553	251,127	247,014
Pension service cost	32	38,112	38,124	38,112	38,124
Pension Interest expense	32	22,637	19,447	22,637	19,447
Other operating expenses	11	82,060	81,663	74,498	71,900
Interest payable and similar charges	12	3,416	3,301	2,585	2,294
Depreciation	15	<u>20,475</u>	<u>26,300</u>	<u>17,250</u>	<u>23,043</u>
Total expenditure		<u>427,151</u>	<u>426,388</u>	<u>406,209</u>	<u>401,822</u>
Surplus/(Deficit) before other gains/losses		4,862	(5,283)	(401)	(5,229)
Profit on disposal of fixed assets		12	1	-	-
Profit on disposal of Investments	36	-	4,159	-	4,159
Gain/(Loss) on investments		<u>3,370</u>	<u>(1,138)</u>	<u>3,370</u>	<u>(1,138)</u>
Surplus/(Deficit) before taxation	14	8,244	(2,261)	2,969	(2,208)
Taxation	13	-	-	-	-
Surplus/(Deficit) for the year after depreciation of assets and after taxation	14	<u>8,244</u>	<u>(2,261)</u>	<u>2,969</u>	<u>(2,208)</u>
Actuarial (Loss)/Gain in respect of pension schemes	32	(120,202)	67,366	(120,202)	67,366
Movement on pension receivable	32	<u>120,202</u>	<u>(67,366)</u>	<u>120,202</u>	<u>(67,366)</u>
Total comprehensive income/(expense) for the year		<u>8,244</u>	<u>(2,261)</u>	<u>2,969</u>	<u>(2,208)</u>
Represented by:					
Restricted comprehensive income for the year	26	4,652	992	2,167	579
Unrestricted comprehensive income/(expense) for the year		<u>3,592</u>	<u>(3,253)</u>	<u>802</u>	<u>(2,787)</u>

The surplus for the year arose solely from continuing operations.

**CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

Consolidated

	Income and Expenditure reserve Unrestricted €'000	Income and Expenditure reserve Restricted €'000	Total €'000
Balance at 01 October 2019	219,440	17,520	236,960
Deficit from Statement of Comprehensive Income	<u>(3,253)</u>	<u>992</u>	<u>(2,261)</u>
Balance at 30 September 2020	216,187	18,512	234,699
Reserve Reclassification at YE 2021	(55)	55	-
Surplus from Statement of Comprehensive Income	<u>3,592</u>	<u>4,652</u>	<u>8,244</u>
Balance at 30 September 2021	<u>219,724</u>	<u>23,219</u>	<u>242,943</u>

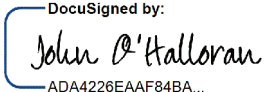
University

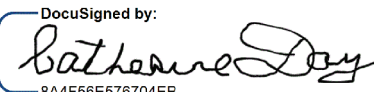
	Income and Expenditure reserve Unrestricted €'000	Income and Expenditure reserve Restricted €'000	Total €'000
Balance at 01 October 2019	169,087	-	169,087
Deficit from Statement of Comprehensive Income	<u>(2,596)</u>	<u>-</u>	<u>(2,596)</u>
Balance at 30 September 2020-As previously reported	166,491	-	166,491
Prior year adjustment- Note 34	<u>4,620</u>	<u>15,486</u>	<u>20,106</u>
Balance at 30 September 2020-Restated	<u>171,111</u>	<u>15,486</u>	<u>186,597</u>
Surplus from Statement of Comprehensive Income	<u>802</u>	<u>2,167</u>	<u>2,969</u>
Balance at 30 September 2021	<u>171,913</u>	<u>17,653</u>	<u>189,566</u>

CONSOLIDATED AND UNIVERSITY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Notes	Consolidated		University	
		2021	2020	2021	Restated 2020
		€'000	€'000	€'000	€'000
Non-current assets					
Fixed assets	15	687,819	679,966	578,497	567,862
Heritage assets	16	2,916	2,790	2,916	2,790
Investments in subsidiaries	16	-	-	163	163
Investments	16	<u>28,573</u>	<u>24,959</u>	<u>28,573</u>	<u>24,959</u>
		<u>719,308</u>	<u>707,715</u>	<u>610,149</u>	<u>595,774</u>
Current assets					
Stocks	17	397	381	225	161
Debtors	18	54,961	43,954	68,057	59,213
Investments	19	54,405	9,008	54,405	9,008
Cash at bank	20	<u>55,239</u>	<u>75,597</u>	<u>41,016</u>	<u>62,967</u>
		<u>165,002</u>	<u>128,940</u>	<u>163,703</u>	<u>131,349</u>
Creditors: Amounts falling due within one year	21	<u>(253,213)</u>	<u>(223,669)</u>	<u>(236,351)</u>	<u>(205,395)</u>
Net current liabilities		<u>(88,211)</u>	<u>(94,729)</u>	<u>(72,648)</u>	<u>(74,046)</u>
Total assets less current liabilities		631,097	612,986	537,501	521,728
Creditors: Amounts falling due after one year	22	(383,523)	(374,752)	(343,304)	(331,596)
Retirement benefit liability	32	(1,939,100)	(1,758,149)	(1,939,100)	(1,758,149)
Retirement benefit receivable	32	<u>1,934,469</u>	<u>1,754,614</u>	<u>1,934,469</u>	<u>1,754,614</u>
Total net assets		<u>242,943</u>	<u>234,699</u>	<u>189,566</u>	<u>186,597</u>
Restricted reserve					
Income and expenditure -restricted reserve	26	23,219	18,512	17,653	15,486
Unrestricted reserve					
Income and expenditure – unrestricted reserve		<u>219,724</u>	<u>216,187</u>	<u>171,913</u>	<u>171,111</u>
Total		<u>242,943</u>	<u>234,699</u>	<u>189,566</u>	<u>186,597</u>

The financial statements were approved by the Governing Body on 15th March 2022 and were signed on its behalf by:

DocuSigned by:

Signed: ADA4226EAAF84BA...
Professor John O' Halloran
President

DocuSigned by:

8A4F56E576704EB...
Dr. Catherine Day
Chairperson UCC Governing Body

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
30 September 2021**

	2021	2020
	€'000	€'000
Cash flow from operating activities		
Surplus/(deficit) for year	8,244	(2,261)
Adjustment for non-cash items		
Depreciation	20,475	26,300
Deferred State capital grants released to income	(9,044)	(11,326)
Profit on disposal of fixed assets	(12)	(1)
Profit on disposal of investments	-	(4,159)
(Gain)/loss on investments	(3,370)	1,138
Movement in net retirement liability	1,096	(89)
Adjustment for working capital movements		
(Increase)/decrease in stocks	(16)	138
(Increase) /decrease in debtors	(11,007)	3,147
Increase in creditors	31,623	7,956
Adjustment for investing or financing activities		
Investment income	(124)	(355)
Donations received	(3,346)	(3,573)
Movement in investments	(3,613)	(5,272)
Interest payable	3,416	3,301
Other interest received	<u>(5)</u>	<u>(20)</u>
Net cash inflow from operating activities	<u>34,317</u>	<u>14,924</u>
Cash flows from investing activities		
Deferred State capital grants received	3,269	11,441
Investment Income	124	355
Purchase of tangible and heritage assets	(28,454)	(33,141)
Proceeds on disposal of fixed assets	12	1
Donations received	3,346	3,573
Interest receivable	5	20
Profit on disposal of investments	-	4,159
Gain/(loss) on investments	<u>3,370</u>	<u>(1,138)</u>
Net cash outflow from investing activities	<u>(18,328)</u>	<u>(14,730)</u>
Cash flows from financing activities		
<i>Debt due within one year:</i>		
Interest payable	(3,416)	(3,301)
Increase in short term borrowings	2,494	302
<i>Debt due after one year:</i>		
Increase/(decrease) in long term borrowings	10,145	(5,813)
Payment of finance lease obligations	<u>(173)</u>	<u>(170)</u>
Net cash inflow/(outflow) from financing activities	<u>9,050</u>	<u>(8,982)</u>
Increase/(decrease) in cash and cash equivalents in the year	25,039	(8,788)
Cash and cash equivalents at beginning of year	84,605	90,184
Cork University Foundation - cash at beginning of year	-	<u>3,209</u>
Cash and cash equivalents at end of year (note 30)	<u>109,644</u>	<u>84,605</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, its subsidiary undertakings as per Note 16 and Cork University Foundation made up to 30 September 2021. Cork University Foundation have been consolidated on the basis that the University exercises dominant influence over the entity and controls its financial and operating activities.

The activities of the Students’ Union of University College Cork have not been consolidated because the University does not control those activities. 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 Bursary/Chief Financial Officers’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 2021 arises primarily from funds received in advance of the financial year-end from State and non –State funding sources. Therefore, the net current liability position does not indicate the need for cash flow funding.

The University has implemented cost reduction and other mitigating measures to reduce the financial impact arising from COVID 19 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, the University secured €5.1m of COVID 19 funding package made available to the sector in 2021. In conjunction with other third level institutions, the University 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. 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 to 80 years
Building Improvements	20 years

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

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Statement of accounting policies - continued

d. Tangible fixed assets - continued

(i) Land and buildings - continued

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. In 2021, the University completed a review of the expected Economic Useful Life (EUL) of certain buildings. This review increased the EUL of certain buildings from 50 to 80 years.

(ii) Equipment

All Equipment is capitalised at cost. Capitalised equipment is depreciated on a straight line basis 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.

Where assets (other than land) are acquired with the aid of State capital grants, they are 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 asset.

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 leases. 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 significant historic and cultural importance to the State. The University collection includes artworks and other paintings and artefacts. Heritage Assets purchased for the benefit of the University are capitalised in the Statement of Financial Position at original cost and are 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

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 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Statement of accounting policies - continued

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 within the charge of VAT, 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 (excluding land) 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 receipt basis, except for dividends and income receivable at the financial year end which is accrued.

Donations without restrictions

Donations without restrictions 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 operates three defined benefit pension schemes,

- 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.
- University College Cork Pension Scheme 2005” – known as the “2005 Scheme” The 2005 Scheme applies to all new staff appointed from 1 January 2005.
- Single Public Service Pension Scheme - This 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.

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. It is the University's opinion (in accordance with Section 44 of the 2012 Act) that any liability in respect of the Single Scheme would be offset by an equivalent asset in respect of future State funding. Accordingly, the University recognises an asset, an amount comprising the unfunded deferred liability for pensions.

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Statement of accounting policies - continued

m. Retirement benefits – continued

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 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 during the period and the cost of plan introductions, benefit changes, settlements and curtailments.

Pensions costs 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 operated two closed defined benefit pension schemes. (i) University College Cork (Closed) Scheme the "Closed Scheme", 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. It is the University's opinion (in accordance with Financial Measures (Miscellaneous Provisions) Act, 2009) that any liability in respect of the "Closed Scheme" would be offset by an equivalent asset in respect of future State funding. Accordingly, the University recognises an asset, an amount comprising the unfunded deferred liability for pensions. (ii) "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. 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 €1,934m, which is offset against the expected retirement liability of €1,939m. Movements on this retirement benefit receivable are included in the Consolidated Statement of Comprehensive Income.

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 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.

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. Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar charges' in the financial year in which it arises. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

q. Grants

Capital government grants (other than Land) are treated as deferred income, which is credited to the income and expenditure account on the same basis as the related assets are depreciated.

Non-government Capital Grants are accounted for under the performance model and are recognised in the Statement of Comprehensive Income when the performance related conditions have been met.

NOTES TO THE FINANCIAL STATEMENTS - continued

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.

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 2021, the pension asset amounted to €1,934m and the pension liability amounted to €1,939m. 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:

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. In 2021, the University completed a review of the expected Economic Useful Life (EUL) of certain buildings. This review increased the EUL of certain assets from 50 to 80 years.

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 2021.

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	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
State grants allocated for recurrent purposes	<u>67.954</u>	<u>61.331</u>	<u>67.954</u>	<u>61.331</u>

The above grant income was received from the Higher Education Authority.

4 Academic fees	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Academic fee income	<u>152.924</u>	<u>151.242</u>	<u>150.290</u>	<u>148.524</u>

A total of €47,831,251 (2020: €46,320,108) included in academic fee income was paid directly by the Higher Education Authority.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Research grants and contracts	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
State and semi-state	63,410	64,154	63,410	64,154
European Union	16,229	16,152	16,229	16,152
Industry	11,882	10,074	11,882	10,074
Other	<u>3,522</u>	<u>4,034</u>	<u>3,522</u>	<u>4,034</u>
	<u>95,043</u>	<u>94,414</u>	<u>95,043</u>	<u>94,414</u>
6 Other operating income	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Rental income - third party	2,736	2,534	2,669	2,483
Rental income - intercompany	-	-	814	1,066
Funded post income	1,800	1,303	1,800	1,482
Student residences income	6,078	5,784	-	-
Leisure facilities income	743	1,377	-	-
Student Facilities & Services (UCC) DAC income	1,215	2,260	-	-
Art Gallery income	248	233	-	-
Irish Management Institute Income	12,382	11,065	-	-
Academic income – colleges & departments	10,964	9,533	10,757	9,533
Service & support areas	6,015	5,732	5,610	5,840
Government grants	1,739	1,363	-	-
Other intercompany income	-	-	<u>208</u>	<u>200</u>
	<u>43,920</u>	<u>41,184</u>	<u>21,858</u>	<u>20,604</u>
7 Interest income	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Interest income	<u>5</u>	<u>20</u>	<u>16</u>	<u>31</u>
Included on the University interest income is €9k (2020: €11k) in respect of loans advanced to Mardyke Leisure (UCC) DAC, a subsidiary entity.				
8 Investment income	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Investment income on restricted reserve	92	267	92	267
Other investment income	<u>32</u>	<u>88</u>	<u>32</u>	<u>88</u>
	<u>124</u>	<u>355</u>	<u>124</u>	<u>355</u>
9 Donations and endowments	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Donations with restrictions	2,716	2,796	228	1,346
Unrestricted donations	<u>630</u>	<u>777</u>	<u>1,816</u>	<u>1,220</u>
	<u>3,346</u>	<u>3,573</u>	<u>2,044</u>	<u>2,566</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

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:

	Consolidated		University	
	2021 Number	2020 Number	2021 Number	2020 Number
Teaching and research	1,805	1,778	1,798	1,769
Technical	120	120	120	120
Central administration and services	1,066	1,049	970	949
Other	<u>349</u>	<u>372</u>	<u>178</u>	<u>180</u>
	<u>3,340</u>	<u>3,319</u>	<u>3,066</u>	<u>3,018</u>
	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Salaries and wages	226,994	221,749	219,437	212,874
Social welfare costs	19,893	19,169	19,174	18,340
Other pension costs	<u>13,564</u>	<u>16,635</u>	<u>12,516</u>	<u>15,800</u>
	<u>260,451</u>	<u>257,553</u>	<u>251,127</u>	<u>247,014</u>

The University capitalised €1,406,411 (2020: €1,183,642) in respect of payroll costs during the financial year.

Key management compensation

The total remuneration for key management personnel for the year ended 30 September 2021 totalled €1,997,645, (2020: €1,931,877).

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	Consolidated		University	
	Year Ended 30 September 2021	Year Ended 30 September 2020	Year Ended 30 September 2021	Year Ended 30 September 2020
60,000 – 70,000	403	318	390	308
70,001 – 80,000	133	186	121	180
80,001 – 90,000	312	253	308	247
90,001 – 100,000	139	238	135	236
100,001 – 110,000	138	30	135	27
110,001 – 120,000	57	60	55	59
120,001 – 130,000	41	12	38	10
130,001 – 140,000	15	7	15	7
140,001 – 150,000	4	27	3	27
150,001 – 160,000	85	56	85	56
160,001 – 170,000	2	2	2	2
170,001 – 180,000	1	3	1	3
180,001 – 190,000	4	2	4	2
190,001 – 200,000	2	3	2	3
200,001 – 210,000	1	1	1	1
210,001 – 220,000	1	2	1	2
220,001 – 230,000	2	2	2	2
230,001 – 240,000	1	1	1	1
240,001 – 250,000	5	5	5	5
250,001- 260,000	2	1	2	1
260,001- 270,000	5	5	5	5
270,001- 280,000	3	3	3	3
Over 280,000	-	-	-	-
Grand Total	1,356	1,217	1,314	1,187

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Staff costs - continued

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	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Heat, light, water and power	5,718	5,189	4,712	4,163
Advertising and promotion	1,068	1,004	997	879
Professional fees	7,679	4,704	7,021	4,129
Training and development	583	681	638	752
Equipment	4,701	3,865	4,701	3,865
Laboratory consumables	5,620	4,913	5,620	4,913
Postage, print and stationary supplies	1,390	1,925	1,343	1,812
Communications	1,131	1,114	1,059	1,028
Books and periodicals	2,026	2,082	1,975	2,070
Rent and rates	1,199	1,674	1,190	1,728
Motor, travel and subsistence	1,304	4,518	1,454	4,656
Computer supplies	970	1,059	802	918
Insurance	1,874	1,948	1,666	1,693
Software Costs	4,216	3,358	4,027	3,187
Repairs and maintenance	13,663	10,981	12,520	9,406
Costs relating to the management of the UCC trust fund	305	237	252	328
Consumables and other expenses	<u>28,613</u>	<u>32,411</u>	<u>24,521</u>	<u>26,373</u>
	<u>82,060</u>	<u>81,663</u>	<u>74,498</u>	<u>71,900</u>

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

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
C&AG Audit Fees	49	44	49	44
Commercial Audit Fees	225	173	103	90
Other non-audit services	<u>15</u>	=	=	=

12 Interest payable and similar charges	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
On bank loans, overdrafts and other loans wholly repayable within 5 years	572	499	469	317
On bank loans repayable after 5 years	2,592	2,546	1,864	1,721
On obligations arising under financing arrangements	<u>252</u>	<u>256</u>	<u>252</u>	<u>256</u>
	<u>3,416</u>	<u>3,301</u>	<u>2,585</u>	<u>2,294</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>22,637</u>	<u>19,447</u>	<u>22,637</u>	<u>19,447</u>
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NOTES TO THE FINANCIAL STATEMENTS - continued

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 Surplus/(deficit) on continuing operations for the year

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Surplus/(deficit) on continuing operations for the year is made up as follows:				
University's surplus/(deficit) for the year	2,969	(2,208)	2,969	(2,208)
Surplus/(deficit) generated by subsidiaries and other undertakings	<u>5,275</u>	<u>(53)</u>	=	=
	<u>8,244</u>	<u>(2,261)</u>	<u>2,969</u>	<u>(2,208)</u>

15 Fixed assets

	Land and buildings €'000	Computer equipment €'000	Equipment €'000	Assets in course of construction €'000	Total €'000
CONSOLIDATED					
Cost or valuation					
At 01 October 2020	878,017	52,150	192,606	26,612	1,149,385
Additions	4,030	582	2,090	21,626	28,328
Reclassification	4,324	47	981	(5,352)	-
Disposals	—	(15)	(558)	—	(573)
At 30 September 2021	<u>886,371</u>	<u>52,764</u>	<u>195,119</u>	<u>42,886</u>	<u>1,177,140</u>
Accumulated Depreciation					
At 01 October 2020	243,928	50,778	174,713	-	469,419
Depreciation for year	12,310	978	7,187	-	20,475
Disposals	—	(15)	(558)	—	(573)
At 30 September 2021	<u>256,238</u>	<u>51,741</u>	<u>181,342</u>	<u>—</u>	<u>489,321</u>
Net book value					
At 30 September 2021	<u>630,133</u>	<u>1,023</u>	<u>13,777</u>	<u>42,886</u>	<u>687,819</u>
At 01 October 2020	<u>634,089</u>	<u>1,372</u>	<u>17,893</u>	<u>26,612</u>	<u>679,966</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 (2020: €68,601,342) in respect of freehold land which is not depreciated.

Also included is €1,406,411 (2020: €1,183,642) in respect of capitalised payroll costs. The net book value of Land and buildings includes an amount of €10,904,103 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	Computer equipment	Equipment	Assets in course of construction	Total
	€'000	€'000	€'000	€'000	€'000
Cost					
At 01 October 2020	739,845	51,563	186,734	26,612	1,004,754
Additions	3,991	581	1,686	21,626	27,884
Reclassifications	4,324	47	981	(5,352)	-
Disposals	—	(11)	(25)	—	(36)
At 30 September 2021	<u>748,160</u>	<u>52,180</u>	<u>189,376</u>	<u>42,886</u>	<u>1,032,602</u>
Accumulated Depreciation					
At 01 October 2020	215,809	50,266	170,816	-	436,891
Charge for year	9,784	942	6,524	-	17,250
Disposals	—	(11)	(25)	—	(36)
At 30 September 2021	<u>225,593</u>	<u>51,197</u>	<u>177,315</u>	<u>—</u>	<u>454,105</u>
Net book value					
At 30 September 2021	<u>522,567</u>	<u>983</u>	<u>12,061</u>	<u>42,886</u>	<u>578,497</u>
At 01 October 2020	<u>524,035</u>	<u>1,297</u>	<u>15,918</u>	<u>26,612</u>	<u>567,862</u>

16 Non-current assets

	Consolidated		University	
Investments & Heritage Assets	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Investments	<u>28,573</u>	<u>24,959</u>	<u>28,573</u>	<u>24,959</u>
Heritage assets	<u>2,916</u>	<u>2,790</u>	<u>2,916</u>	<u>2,790</u>
Investments in subsidiaries	—	—	<u>163</u>	<u>163</u>

Investments:

The non-current investments represent the investments held by the University Group. 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 comprise

	Consolidated		University	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Equities	13,204	9,996	13,204	9,996
Property	2,621	2,958	2,621	2,958
Infrastructure	5,836	5,489	5,836	5,489
Financial	2,391	2,536	2,391	2,536
Forestry	961	966	961	966
Other	2,655	2,301	2,655	2,301
Private equity	<u>905</u>	<u>713</u>	<u>905</u>	<u>713</u>
Total	<u>28,573</u>	<u>24,959</u>	<u>28,573</u>	<u>24,959</u>

Investments of €28.6m (€25.0m) include restricted investments of €17.7m (2020: €15.5m) in relation to endowment funds commitments.

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Non-current assets - continued

(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 2020	2,790	2,790
Additions	<u>126</u>	<u>126</u>
At 30 September 2021	<u>2,916</u>	<u>2,916</u>

Five year summary of heritage assets

	2017 €'000	2018 €'000	2019 €'000	2020 €'000	2021 €'000
Cost					
At 1 October	2,182	2,334	2,500	2,600	2,790
Additions	<u>152</u>	<u>166</u>	<u>100</u>	<u>190</u>	<u>126</u>
Cost 30 September	<u>2,334</u>	<u>2,500</u>	<u>2,600</u>	<u>2,790</u>	<u>2,916</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.

NOTES TO THE FINANCIAL STATEMENTS - continued

16 Non-current assets - continued

In addition to the subsidiaries noted above, these financial statements consolidate the results of Cork University Foundation on the basis that the University exercises dominant influence over the entity and governs its financial and operating policies. Cork University Foundation was consolidated for the first time in the prior financial year on the basis that control passed to the University on 1 October 2019 and on that date, the reserves of Cork University Foundation were contributed to the University.

17 Stocks	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Consumables	3	4	3	4
Finished goods for resale	<u>394</u>	<u>377</u>	<u>222</u>	<u>157</u>
	<u>397</u>	<u>381</u>	<u>225</u>	<u>161</u>

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

18 Debtors	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Trade debtors	4,839	3,920	1,108	846
Research grants and contracts receivable	26,775	27,093	26,775	27,093
Amounts due from subsidiary undertakings	-	-	18,388	19,798
Other taxation and social insurance	150	162	-	-
Other debtors and prepayments	<u>23,197</u>	<u>12,779</u>	<u>21,786</u>	<u>11,476</u>
	<u>54,961</u>	<u>43,954</u>	<u>68,057</u>	<u>59,213</u>

Amounts due from subsidiary undertakings are repayable on demand.

19 Investments	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Short term deposits	<u>54,405</u>	<u>9,008</u>	<u>54,405</u>	<u>9,008</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	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Cash at bank	49,897	69,879	39,305	60,062
Restricted bank balances	<u>5,342</u>	<u>5,718</u>	<u>1,711</u>	<u>2,905</u>
	<u>55,239</u>	<u>75,597</u>	<u>41,016</u>	<u>62,967</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.

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Creditors: Amounts falling due within one year	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Trade creditors	6,964	9,012	5,880	7,860
Research grants and contracts in advance	105,512	90,223	105,512	90,223
Academic fees received in advance	54,492	48,109	54,492	48,109
State grant received in advance-HEA	18,840	9,571	18,840	9,571
Bank borrowings (note 23)	8,495	6,001	5,261	3,039
Amounts owed to subsidiary undertakings	-	-	1,276	1,599
Other taxation and social insurance	8,062	7,455	7,702	6,608
Deferred income	18,553	17,067	9,303	7,155
Deferred lease income	456	-	456	-
Deferred capital grants (note 24)	9,044	11,326	8,827	11,109
Short term Finance lease obligation (note 25)	177	173	177	173
Other creditors & accruals	<u>22,618</u>	<u>24,732</u>	<u>18,625</u>	<u>19,949</u>
	<u>253,213</u>	<u>223,669</u>	<u>236,351</u>	<u>205,395</u>

Amounts owed to subsidiary undertakings are repayable on demand.

22 Creditors: Amounts falling due after one year	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Bank loans (note 23)	165,580	155,435	133,236	120,245
Deferred capital grants (note 24)	201,938	205,430	195,632	198,906
Deferred lease income	2,168	-	2,168	-
Long term finance lease obligation (note 25)	12,268	12,445	12,268	12,445
Other creditors	<u>1,569</u>	<u>1,442</u>	<u>-</u>	<u>-</u>
	<u>383,523</u>	<u>374,752</u>	<u>343,304</u>	<u>331,596</u>

23 Bank Borrowings	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Bank loans				
Bank loans are repayable as follows:				
In one year or less (note 21)	<u>8,495</u>	<u>6,001</u>	<u>5,261</u>	<u>3,039</u>
Between one and two years	9,623	7,916	6,776	5,069
Between two and five years	28,976	27,515	20,437	18,976
In five years or more	<u>126,981</u>	<u>120,004</u>	<u>106,023</u>	<u>96,200</u>
Total	<u>165,580</u>	<u>155,435</u>	<u>133,236</u>	<u>120,245</u>
Total bank loans	<u>174,075</u>	<u>161,436</u>	<u>138,497</u>	<u>123,284</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

23 Bank Borrowings – continued

Lender	Amount of Loan €000's	Balance 2021 (Including interest accrued) €000's	Loan Term Years	Maturity Date	Borrower
Ulster Bank	20,000	15,523	20	24/02/2037	UCC
European Investment Bank	15,000	13,536	23	05/06/2039	UCC
European Investment Bank	35,000	34,174	23	18/11/2041	UCC
European Investment Bank	50,000	50,013	23	21/06/2041	UCC
Bank of Ireland	8,450	7,076	20	22/09/2037	UCC
Housing Finance Agency	33,000	18,176	30	04/12/2050	UCC
Bank of Ireland	18,441	10,072	20	01/12/2033	Campus Accommodation (UCC) DAC
Ulster Bank	15,176	10,545	20	06/06/2035	Campus Accommodation (UCC) DAC
Ulster Bank	10,000	8,000	20	18/03/2037	Campus Accommodation (UCC) DAC
Ulster Bank	<u>8,736</u>	<u>6,960</u>	20	06/07/2037	Campus Accommodation (UCC) DAC
Total	<u>213,803</u>	<u>174,075</u>			

The overall consolidated cost of capital for University borrowings in 2021 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.

24 Deferred capital grants

	Consolidated €'000	University €'000
Consolidated At 1 October 2020		
Buildings	199,663	192,922
Equipment	<u>17,093</u>	<u>17,093</u>
Total	<u>216,756</u>	<u>210,015</u>
Cash received		
Buildings	-	-
Equipment	<u>3,270</u>	<u>3,270</u>
Total	<u>3,270</u>	<u>3,270</u>
Released to income and expenditure		
Buildings	3,630	3,413
Equipment	<u>5,414</u>	<u>5,413</u>
Total	<u>9,044</u>	<u>8,826</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

24 Deferred capital grants - continued	Consolidated €'000	University €'000
At 30 September 2021		
Buildings	196,033	189,509
Equipment	<u>14,949</u>	<u>14,950</u>
Total	<u>210,982</u>	<u>204,459</u>
The Deferred Capital Grants can be analysed as follows:		
	2021	2020
	€'000	€'000
Consolidated		
Creditors falling due within one year	9,044	11,326
Creditors falling due after one year	<u>201,938</u>	<u>205,430</u>
At 30 September	<u>210,982</u>	<u>216,756</u>
University		
Creditors falling due within one year	8,827	11,109
Creditors falling due after one year	<u>195,632</u>	<u>198,906</u>
At 30 September	<u>204,459</u>	<u>210,015</u>

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	
	2021	2020
	€'000	€'000
Future payments fall due as follows		
Within one year	426	426
Later than 1 year but within five years	2,129	2,129
Later than five years	<u>11,555</u>	<u>11,981</u>
Total	14,110	14,536
Future finance costs	<u>(1,665)</u>	<u>(1,918)</u>
Lease liability	<u>12,445</u>	<u>12,618</u>
Analysed as follows:		
Current portion	177	173
Long term portion	<u>12,268</u>	<u>12,445</u>
Lease liability	<u>12,445</u>	<u>12,618</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

26 Restricted reserve

Restricted reserve related to both the University College Cork and Cork University Foundation (CUF) and is as follows:

	Consolidated		University	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Opening balance	18,512	14,906	15,486	-
Prior year adjustment- Note 34	-	-	-	14,907
Transfer of opening restricted reserve from CUF	-	2,614	-	-
Reclassification from unrestricted reserve	55	-	-	-
New donations / funds invested	2,716	2,796	178	1,345
Investment income	92	267	92	267
Expenditure	(269)	(1,280)	(216)	(242)
Increase/(decrease) in market value of investments	<u>2,113</u>	<u>(791)</u>	<u>2,113</u>	<u>(791)</u>
Total restricted comprehensive income for the year	<u>4,652</u>	<u>992</u>	<u>2,167</u>	<u>579</u>
Closing balance	<u>23,219</u>	<u>18,512</u>	<u>17,653</u>	<u>15,486</u>
	Consolidated		University	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Analysis of other restricted funds/donations by type of purpose:				
Education and research	<u>2,716</u>	<u>2,796</u>	<u>178</u>	<u>579</u>

27 Contingencies

The University has no known material contingent liabilities at 30 September 2021.

28 Capital commitments

	Consolidated		University	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Contracted for but not provided	14,390	28,919	14,390	28,919
Authorised but not contracted out	<u>15,025</u>	<u>17,390</u>	<u>15,025</u>	<u>17,390</u>
	<u>29,415</u>	<u>46,309</u>	<u>29,415</u>	<u>46,309</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

29 Financial instruments

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

	Consolidated		University	
	2021 €'000	2020 €'000	2021 €'000	2020 €'000
Financial assets				
<i>Measured at fair value through the statement of comprehensive income</i>				
• Investments in listed equity instruments (note 16)	28,573	24,959	28,573	24,959
<i>Measured at undiscounted amounts receivable</i>				
• Trade debtors (note 18)	4,839	3,920	1,108	846
• Amounts due from subsidiary undertakings (note 18)	-	-	18,388	19,798
Financial liabilities				
<i>Measured at amortised cost</i>				
• Bank loans and other loans (note 23)	174,075	161,436	138,497	123,284
• Obligations under finance leases (note 25)	12,445	12,618	12,445	12,618
<i>Measured at undiscounted amounts payable</i>				
• Trade creditors (note 21)	6,964	9,012	5,880	7,860
• Amounts due to subsidiary undertakings (note 21)	-	-	1,276	1,599

30 Analysis of changes in net debt

	At 1 October 2020 €'000	Cashflows €'000	At 30 September 2021 €'000
Cash at bank/short term deposits/current investments	<u>84,605</u>	<u>25,039</u>	<u>109,644</u>
Bank debt due within 1 year	(6,001)	(2,494)	(8,495)
Bank debt due after 1 year	<u>(155,435)</u>	<u>(10,145)</u>	<u>(165,580)</u>
Total	<u>(76,831)</u>	<u>12,400</u>	<u>(64,431)</u>

31 Related parties

Transactions with subsidiaries and other undertakings of the University have been eliminated on consolidation.

Transactions with entities that are part of the group and investees of the group, qualifying as related parties, are not disclosed as the University is exempt under FRS 102 33.9 – 'Related Party Disclosures'.

Related party transactions are not required to be disclosed where they are with other entities that are wholly owned subsidiaries of the University.

NOTES TO THE FINANCIAL STATEMENTS - continued

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 €90.1m relating to professional service added years. This €90.1m 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 €90.1m, the professional service added years’ liability relating to the transferred in service is €16.0m.

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 €16.0m 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 €16.0m 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 €16.0m, referenced above, UCC have assessed its portion of the liability to be €4.6m and that the balance of the liability, €11.4m, 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 between 1 January 2005 and 31 December 2012. 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 offset by the recognition of an asset equivalent to the University’s pension liabilities, as part of the overall deferred pension funding asset.

NOTES TO THE FINANCIAL STATEMENTS - continued

32 Retirement benefits - continued

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 1,512 active members of the Single Scheme at 30 September 2021. Future benefits accruing to Scheme members have been provided for in these financial statements, as at 30 September 2021. 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 2021 and 2020 as follows:

	2021 €'000	2020 €'000
Present value of the defined benefit obligations	(1,939,100)	(1,758,149)
Pension liability	<u>(1,939,100)</u>	<u>(1,758,149)</u>

	2021 €'000	2020 €'000
Analysis of pension liability		
Closed Scheme	(920,995)	(883,767)
2005 Scheme	(942,655)	(817,867)
Single Public Sector Pension Scheme	<u>(75,450)</u>	<u>(56,515)</u>
	<u>(1,939,100)</u>	<u>(1,758,149)</u>

The pension receivable and net deficit at 30 September 2021 and 2020 is as follows:

	2021 €'000	2020 €'000
Pension receivable from the Irish State	<u>1,934,469</u>	<u>1,754,614</u>
Net pension deficit	<u>(4,631)</u>	<u>(3,535)</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

32 Retirement benefits - continued

<i>Movement in present value of defined benefit obligation</i>	2021	2020
	€'000	€'000
Present value of defined benefit obligation at beginning of year	(1,758,149)	(1,767,944)
Current service cost	(58,352)	(61,647)
Interest cost	(22,637)	(19,447)
Benefits paid	33,756	29,477
Contributions by plan participants	(9,827)	(9,141)
Effect of changes in assumptions	(130,770)	71,064
Effect of experience adjustments	<u>6,879</u>	<u>(511)</u>
Value of Defined benefit obligation at end of year	<u>(1,939,100)</u>	<u>(1,758,149)</u>

Analysis of movement in pension receivable during the year

	2021	2020
	€'000	€'000
Analysis of deferred pension funding asset		
At beginning of year	1,754,614	1,764,320
Current service cost	58,352	61,647
Interest cost	22,637	19,447
Amounts included in other comprehensive income	120,202	(67,366)
Employer contributions	(20,240)	(23,523)
Increase / (decrease) in deferred funding for pensions	<u>(1,096)</u>	<u>89</u>
At end of year	<u>1,934,469</u>	<u>1,754,614</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:

Financial Assumptions	2021	2020
Valuation method	Projected	Projected
	Unit	Unit
Rate of increase in salaries	3.40%	2.75%
Rate of increase in state pension	1.90%	1.25%
Rate of increase in pensions in payment	2.40%	1.75%
Discount rate for scheme liabilities	1.50%	1.30%
Inflation assumption	1.90%	1.25%

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:

	2021	2020
	Years	Years
	M/F	M/F
Retiring today (member age 65)	22.5/24.2	22.5/24.4
Retiring in 25 years (member age 40)	24.6/26.5	24.8/26.7

NOTES TO THE FINANCIAL STATEMENTS - continued

32 Retirement benefits - continued

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

	2021 €'000	2020 €'000
Amount included in staff costs		
Current service cost	58,352	61,647
Less employer contributions	<u>(20,240)</u>	<u>(23,523)</u>
	<u>38,112</u>	<u>38,124</u>
Other finance charges		
Interest on pension scheme liabilities	22,637	19,447
Net deferred funding for pensions		
Funding recoverable in respect of current year pension costs	(60,749)	(57,571)
Increase /(decrease) in deferred funding for pensions	<u>1,096</u>	<u>(89)</u>
	<u>(59,653)</u>	<u>(57,660)</u>
Amounts recognised in other comprehensive income		
Effect of changes in assumptions	130,770	(71,064)
Effect of experience adjustments	(6,879)	511
Return on plan assets	<u>(3,689)</u>	<u>3,187</u>
Actuarial gain in respect of pension schemes	<u>120,202</u>	<u>(67,366)</u>
Movement in pension receivable	<u>120,202</u>	<u>(67,366)</u>

A subsidiary of the University, Irish Management Institute (a Company Limited by Guarantee) ("IMI") operates a defined contribution pension scheme. Certain permanent employees of IMI are eligible as members of the contributory defined contribution plan. The assets of the defined contribution plan are held separately from those of the University in an independent trustee administered fund. The IMI contributions are charged to the Statement of Comprehensive Income in the year in which contributions are payable. During the financial year, €0.5m (2020: €0.6m) was charged to the Statement of Comprehensive Income and contributions of €0.04m (2020: 0.05m), were outstanding as at 30 September 2021.

33 Deferred Income

	2021 €'000	2020 €'000
State grant received	77,178	66,270
State grant receivable from prior accounting year	9,571	4,632
State grant deferred to subsequent accounting year	<u>(18,795)</u>	<u>(9,571)</u>
State grant per financial statements	<u>67,954</u>	<u>61,331</u>

34 Prior year adjustment

The financial statements of the University (entity only) include a prior period adjustment in respect of the recognition of the UCC Trust fund investments and related activities. Historically the University have presented the UCC Trust fund investments and related activities in a standalone set of Financial Statements and not accounted for the assets, liabilities and related components of income or expenditure in the University Statement Of Financial Position or Statement Of Comprehensive Income respectively. The UCC Trust Fund has been included as part of the consolidated financial statements since 2016 and is now being recognised in the University entity balance sheet reflecting the substance of the underlying donations/endowments. The adjustment was related to the University only and had no impact on the Group's financial position.

The corresponding figures have been restated accordingly. The University has elected, for the first time in 2021, to present the University Statement of Comprehensive Income. The corresponding amounts for 2020 reflect the prior year adjustment in respect of the UCC Trust Fund. In summary, the following adjustments were made to the amounts recognised in the Statement of Financial Position at the date of initial recognition 1 October 2019, being the beginning of the earliest period presented and 30 September 2020, being the comparative closing balance.

NOTES TO THE FINANCIAL STATEMENTS - continued

34 Prior year adjustment - continued

Statement of Financial Position (extract) - 1 October 2019	1 October 2019 as previously Presented €'000	Adjustment €'000	1 October 2019 Restated €'000
Investments	-	19,687	19,687
Creditors: Amounts falling due within one year	197,528	(32)	197,496
Income and expenditure – restricted reserve	-	14,907	14,907
Income and expenditure – unrestricted reserve	<u>166,491</u>	<u>4,812</u>	<u>171,303</u>
	30 September 2020 as previously Presented €'000	Adjustment €'000	1 October 2019 Restated €'000
Investments	4,941	20,018	24,959
Creditors: Amounts falling due within one year	205,483	(88)	205,395
Income and expenditure – restricted reserve	-	15,486	15,486
Income and expenditure – unrestricted reserve	<u>166,491</u>	<u>4,620</u>	<u>171,111</u>

35 US Department of Education Financial Responsibility Supplemental Schedule

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

The amounts presented within the schedules have been:

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued

35 US Department of Education Financial Responsibility Supplemental Schedule - continued

Primary Reserve Ratio

Note/Schedule	Term used in the Financial Statements	Term used in US Department of Education Financial Responsibility Supplemental Schedule	2021 €'000	2021 €'000	2020 €'000	2020 €'000
		Expendable Net Assets:				
Consolidated statement of financial position	Income and expenditure – unrestricted reserve	Net assets without donor restrictions	219,724	-	216,187	-
Consolidated statement of financial position	Income and expenditure - restricted reserve	Net Assets with donor restrictions	23,219	-	18,512	-
N/A	N/A	Secured and Unsecured related party receivable	-	-	-	-
N/A	N/A	Unsecured related party receivable	-	-	-	-
15,16,24	Tangible Fixed assets €687,818k plus Heritage Assets €2,916k less Deferred Capital Grants €210,982k	Property, plant and equipment, net (includes Construction in progress)	479,752	-	466,000	-
15	Note 15 of the Financial Statements – Analysis of non-current assets for US Financial Responsibility Supplement Schedule	Property, plant and equipment – pre-implementation	432,662	-	432,662	-
15	N/A	Property, plant and equipment – post-implementation with outstanding debt for original purchase	-	-	-	-
15	Note 15 of the Financial Statements – Analysis of non-current assets for US Financial Responsibility Supplement Schedule	Property, plant and equipment – post implementation without outstanding debt for original purchase	4,204	-	6,736	-
15	Assets in course of construction	Construction in progress	42,886	-	26,612	-
N/A	N/A	Lease right-of-use asset, net	-	-	-	-
N/A	N/A	Lease right-of- use asset pre- implementation	-	-	-	-
N/A	N/A	Lease right-of- use asset post- implementation	-	-	-	-
N/A	N/A	Intangible assets	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS - continued

35 US Department of Education Financial Responsibility Supplemental Schedule - continued

Note/Schedule	Term used in the Financial Statements	Term used in US Department of Education Financial Responsibility Supplemental Schedule	2021 €'000	2021 €'000	2020 €'000	2020 €'000
		Expendable Net Assets:				
32	Net pension deficit	Post-employment and pension liabilities	4,631	-	3,535	-
23	Total bank loans	Long-term debt – for long term purposes	174,075	-	161,436	-
23	2020 Total bank loans €161,436k	Long-term debt – for long term purposes pre-implementation	161,436	-	166,947	-
23	2021 Total bank loans €174,075k less 2021 Total bank loans €161,436k	Long-term debt – for long term purposes post-implementation	12,639	-	(5,511)	-
N/A	N/A	Line of Credit for CIP	-	-	-	-
N/A	N/A	Lease right-of-use asset liability	-	-	-	-
N/A	N/A	Pre-implementation right-of-use leases	-	-	-	-
N/A	N/A	Post- implementation right-of-use leases	-	-	-	-
N/A	N/A	Annuities with donor restrictions	-	-	-	-
N/A	N/A	Term endowments with donor restrictions	-	-	-	-
N/A	N/A	Life income funds with donor restrictions	-	-	-	-
26	Consolidated statement financial position– Income and expenditure – unrestricted reserve	Net assets with donor restrictions: restricted in perpetuity	-	23,219	-	18,512
		Total Expenses and Losses:				
Consolidated statement of comprehensive income and expenditure	Consolidated Statement of Comprehensive Income and Expenditure - Total expenditure €427,151 less Note 26 restricted expenditure €269k	Total expenses without donor restrictions – taken directly from Statement of Activities	426,882	-	425,108	-
Consolidated statement of comprehensive income and expenditure	Consolidated Statement of Comprehensive Income and Expenditure – Investment income €124k, Gain on investments €3,370k. Deferred funding for pensions €59,653k less Pension service cost €38,112k less Pension Interest expense €22,637k. Prior year includes profit on disposal of investments of €4,159k	Non-Operating and Net Investment (loss)	2,398	-	3,465	-

NOTES TO THE FINANCIAL STATEMENTS - continued

35 US Department of Education Financial Responsibility Supplemental Schedule - continued

Note/Schedule	Term used in the Financial Statements	Term used in US Department of Education Financial Responsibility Supplemental Schedule	2021 €'000	2021 €'000	2020 €'000	2020 €'000
		Total Expenses and Losses:				
Consolidated statement of comprehensive income and expenditure	Gain/(Loss) on investments	Net investment gains/(losses)	3,370	-	(1,138)	-
N/A	N/A	Pension -related changes other than net periodic costs	-	-	-	-

Equity Ratio

Note/Schedule	Term used in the Financial Statements	Term used in US Department of Education Financial Responsibility Supplemental Schedule	2021 €'000	2021 €'000	2020 €'000	2020 €'000
		Modified Net Assets:				
Consolidated statement of financial position	Income and expenditure – unrestricted reserve	Net assets without donor restrictions	219,724		216,187	
Consolidated statement of financial position	Income and expenditure - restricted reserve	Net assets with donor restrictions	23,219	-	18,518	-
N/A	N/A	Intangible assets	-	-	-	-
N/A	N/A	Secured and Unsecured related party receivable	-	-	-	-
N/A	N/A	Unsecured related party receivables	-	-	-	-
		Modified Assets:				
Consolidated statement of financial position	Consolidated Statement of financial position – Non-current assets €719,308k plus Current assets €165,002k	Total assets	884,310	-	836,655	-
N/A	N/A	Lease right-of- use asset pre-implementation	-	-	-	-
N/A	N/A	Pre-implementation right-of-use leases	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS - continued

35 US Department of Education Financial Responsibility Supplemental Schedule – continued

Note/Schedule	Term used in the Financial Statements	Term used in US Department of Education Financial Responsibility Supplemental Schedule	2021 €'000	2021 €'000	2020 €'000	2020 €'000
		Modified Assets:				
N/A	N/A	Intangible assets	-	-	-	-
N/A	N/A	Secured and Unsecured related party receivable	-	-	-	-
N/A	N/A	Unsecured related party receivables	-	-	-	-
		Net Income Ratio:				
Consolidated statement of comprehensive income and expenditure	Consolidated Statement of Comprehensive Income and Expenditure – Unrestricted comprehensive income for the year	Change in Net Assets Without Donor Restrictions	3,592	-	(3,253)	-
Consolidated statement of comprehensive income and expenditure	Consolidated Statement of Comprehensive Income and Expenditure – total income Total income €432,013k less investment income €124k, add gain on sale of tangible fixed assets €12k, less deferred funding for pensions €59,653k Losses are not included	Total Revenues and Gains	372,248	-	363,091	-

36 Profit on disposal of Investments

In 2020, the University sold its share in a spin out company, Alimentary Health Ltd, now PrecisionBiotics Group Limited, to Novozymes, a Danish pharmaceutical company. Based on UCC's level of equity at the date of sale, the University's immediate share of the initial consideration was €4.16m, with the potential to rise to €6.48m by 2023, pending any claims against the amount held in escrow and satisfactory performance of the company in meeting certain targets, post-acquisition.

37 Post Statement of Financial Position Events

There have been no significant events affecting the University since the year end.

38 Approval of financial statements

The financial statements were approved by the Governing Body on the 15th March 2022.

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

**Additional Financial Information
(Not covered by the Auditors Report)**

Year Ended 30 September 2021

Consolidated Financial Statements Year ended 30 September 2021

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 01/10/2020	Cash received 2020/21	Taken to Income 2020/21	Deferred Capital Grants	Grant (Deferred)/ Due 30/09/2021
Department of Agriculture Food and the Marine	Dept. of Agriculture Food and the Marine	997	(1,742)	1,554	-	809
Enterprise Ireland	Dept. of Jobs, Enterprise and Innovation	(6,139)	(7,335)	7,896	-	(5,578)
Health Services Executive	Dept. of Health	(902)	(2,174)	1,616	-	(1,460)
Health Research Board	Dept. of Health	(1,297)	(6,275)	5,216	-	(2,356)
Irish Research Council	Dept. of Education and Skills	(2,101)	(6,476)	4,678	-	(3,899)
Science Foundation of Ireland	Dept. of Jobs, Enterprise and Innovation	(39,426)	(30,772)	32,434	-	(37,764)
T eagasc	Dept. of Agriculture Food and the Marine	(48)	(1,165)	1,161	-	(52)
Sustainable Energy Ireland (SEI)	Dept. of Communications, Climate Action & Environment	(215)	(625)	1,037	-	197
Environmental Protection Agency	Dept. of Communications, Climate Action & Environment	240	(1,639)	1,357	-	(42)
Dept. of Communications, Climate Action & Environment	Dept. of Communications, Climate Action & Environment	(269)	(1,563)	1,360	-	(472)
Department of Jobs, Enterprise and Innovation	Dept. of Jobs, Enterprise and Innovation	(820)	(8,230)	1,532	-	(7,518)
Higher Education Authority		(105)	(7,795)	1,852	-	(6,048)
Other Irish Government/State Agencies	Various Departments	(14,316)	(2,929)	3,404	-	(13,841)
Total Exchequer Research Grants		(64,401)	(78,720)	65,097	-	(78,024)
Total Non-Exchequer Research Grants		(21,786)	(35,501)	31,163	-	(26,124)
Total per Research Accounts		(86,187)	(114,221)	96,260	-	(104,148)
Other Adjustments						
GAAP Adjustments		23,057	-	(1,217)	3,571	25,411
Research Grants and Contracts per Financial Statements		(63,130)	(114,221)	95,043	3,571	(78,737)

Capital Grants

The University received grant funding of €nil in year ended 30 September 2021, under the programme for research in Third Level Institutions (PRTL I V) and €nil 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 in line with Government policies and guidelines.

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.